Daily Report

Latin America

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FBIS-LAT-90-128 *3 July 1990*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

International Justice Ministers' Conference Opens *[Buenos Aires Radio]* 1
Pacific Countries Protest French Nuclear Tests *[Santiago Radio]* 1

INTER-AMERICAN AFFAIRS

Economy Ministers Begin Study of Bush Proposal *[Mexico City NOTIMEX]* 2
Salinas To Meet Caricom Leaders in Jamaica *[CANA]* 2

CARIBBEAN

Cuba

PCC's Aldana Visits Lima, Rates Bush Proposal *[Havana TV]* 4
Interviewed by Peruvian Newspapers *[Havana Radio]* 4
More Malmierca Remarks on Latin American Tour *[Havana International]* 4
Nicaragua's Borge Departs Peru, Visiting Havana *[Havana International]* 5
Castro Speaks at Conclusion of CTC Plenum *[Havana TV]* 5
Presides at Science Forum Opening *[Havana TV]* 6
Minfar Inspects Havana Defense Readiness *[Havana TV]* 7
Inspects Pinar del Rio MTT *[Havana TV]* 7
Fidel Inaugurates Chernobyl Childrens' Facilities *[Havana TV]* 7
Welcomes Children at Airport *[Havana Radio]* 7
Trade With East European Countries Decreasing *[Vienna DIE PRESSE 16-17 Jun]* 8
* Problems Beset Spare Parts Recovery Program *[BOHEMIA 18 May]* 8

Inter-Caribbean Affairs

Cuba Continues To Lobby for CTO Admission *[CANA]* 10

Haiti

New Election Dates Announced; Article 291 Kept *[Port-au-Prince Radio]* 10
Executive Representative of CEP Installed *[Port-au-Prince Radio]* 11

Trinidad and Tobago

Robinson Confers on Guyanese Electoral System *[CANA]* 11

CENTRAL AMERICA

Belize

Caribbean Development Bank on Economic Growth *[CANA]* 12

El Salvador

Defense Minister on Armed Forces' Situation *[San Salvador TV]* 12
FMLN's Handal Participates in Government Debate *[San Salvador Radio]* 19
FMLN Demands Jamming of Stations End *[Mexico City NOTIMEX]* 20

FMLN Encourages Struggle for Democracy *[Radio Venceremos]* 20
Salvadoran Bishop on Prospects for Peace *[Managua Radio]* 20
Court Magistrate Said Unharmed After Attack *[San Salvador TV]* 20

Guatemala

Defense Minister, Cerezo Mark Army Day *[ACAN]* 21

Nicaragua

Further Reportage on Nationwide Strike 21
Government Communique on Threat *[Managua Radio]* 21
Official on Foreign Ministry Strike *[Managua Radio]* 22
Sandinist Police Keep Order *[Managua Radio]* 22
Most Reportedly 'Working Normally' *[Managua Radio]* 22
Gas Stations, Drug Stores Strike *[Managua Radio]* 23
Labor Leader Comments *[Managua Radio]* 23
Students Strike Over Transport *[Mexico City NOTIMEX]* 24
Dreyfus News Conference on Venezuelan Visit *[Managua Radio]* 25
Strike Causes Ortega To Suspend European Trip *[Managua Radio]* 26
Further on Cancellation *[AFP]* 27
Daniel Ortega on FMLN Congress Preparations *[Managua Radio]* 27
Central Bank President Explains Gold Cordoba *[Managua Radio]* 27
Obando y Bravo Upholds Suspension of Cardenal *[Managua Radio]* 27
Bulgarian Envoy Says Aid Will Be Reduced *[LA PRENSA 25 Jun]* 27

Panama

Column Assesses Bush Proposals for Latin America *[LA PRENSA 2 Jul]* 28
National Institute Students Stage Demonstration *[LA ESTRELLA DE PANAMA 27 Jun]* 28
High School Students Stage Protest *[Panama City TV]* 29

SOUTH AMERICA

Argentina

Official Denies U.S. Pressure on Condor Project *[TELAM]* 30
Cavallo Returns From United States, Europe *[NOTICIAS ARGENTINAS]* 30
Minister Announces New Economic Measures *[TELAM]* 30
Soviet Economist Comments on Trade Prospects *[DYN]* 31
USSR Reported Main Trade Partner Since 1980 *[DYN]* 31

Bolivia

Paz Zamora: 'Minor' Cabinet Changes Upcoming *[Madrid EFE]* 32

Brazil

Police Dismantle Drug Ring in Amazon Region *[Brasilia Radio]* 32
Details Disclosed *[O GLOBO 1 Jul]* 33
Pact Signed To Build Roadway on Border Bridge *[Brasilia Radio]* 33
Revenue Service Issues Tax-Withholding Rules *[Brasilia Radio]* 33
National Treasury Registers Surplus in June *[Brasilia Radio]* 33
Swiss Minister To Discuss Economic Ties *[Brasilia Radio]* 34

Colombia

Minister Asks ELN, FARC To Join Peace Move *[Bogota Radio]* 34
Minister 'Accidentally' Shot by Bodyguard *[Bogota TV]* 34
Recovering From Bullet Wound *[Mexico City NOTIMEX]* 34
New Decree To Fight Disorder Criticized *[Bogota TV]* 34
Alleged Drug Figure Victim in Restaurant Attack *[Bogota TV]* 35

Ecuador

Cordovez Terms Bush Proposal 'Constructive' *[Quito Radio]* 35

Paraguay

Rodriguez Addresses Nation on Teachers' Strike *[Asuncion Radio]* 35
Editorial Defends Need To Actively Fight Drugs *[ABC COLOR 1 Jul]* 36

Peru

Senator Says U.S. 'Intervention' Already Begun *[Lima TV]* 37
42.6-Percent Inflation Reported for June *[Lima TV]* 37
Central Bank Releases New Inti Bills *[Lima TV]* 37
* MRTA Communications Described, Truce Studied *[EL COMERCIO 19 Jun]* 37

Uruguay

Lacalle Promotes Response to Bush Proposal *[Montevideo Radio]* 37

International Justice Ministers' Conference Opens

PY0307023690 Buenos Aires Domestic Service in Spanish 1600 GMT 2 Jul 90

[Text] Cesar Arias, Argentine Justice Ministry under secretary, said this morning that the death sentence is rejected by Argentines, but nevertheless, Argentina will promote maximum sentences that are in line with the Argentine people's moral values concerning drug traffickers.

Speaking at the opening session of the eighth conference of Spanish-Portuguese-speaking justice ministers, Arias said this conference seeks to discuss at the international level all issues related to the drug-trafficking cycle and the legislation needed to penalize it.

During the opening session attended by representatives from Spain, Portugal, and 10 Latin American countries, Radio Nacional journalist Pedro Leon interviewed Justice Under Secretary Cesar Arias on Argentine drug-trafficking legislation.

[Begin recording] [Arias] By the end of 1989, Argentina issued a new law on drug trafficking. We believe Argentine legislation on this issue is one of the most modern.

[Leon] Why do we still not have systematic control of the destruction of drugs seized by Argentine security forces and submitted to the courts?

[Arias] As you know, the current drug-trafficking traits are new to our country. Argentina has ceased to be a transit country, a storage place, and has become a market country. Consequently, we must come up with the necessary answers based on what other countries have experienced in this regard. Argentina is implementing measures which we believe will yield fruitful results. [end recording]

Answering journalist Cesar Leon whether it is necessary to establish an international drug traffickers' world register to better follow their activities, Cesar Arias said:

[Begin Arias recording] We agree with this initiative which perhaps may be submitted, discussed, and approved during this conference.

Moreover, we believe this is the time to create institutions, that is, to implement legislation and organic structures instead of international and multinational organizations involved in the struggle against drug trafficking and drug addiction, which has currently adopted the characteristics of an international organization. [end recording]

Pacific Countries Protest French Nuclear Tests

PY2106144090 Santiago Domestic Service in Spanish 1100 GMT 21 Jun 90

[Text] The ambassadors of Chile, Colombia, Ecuador, and Peru have conveyed to UN Secretary General Javier Perez de Cuellar their countries' protest over the resumption of French nuclear tests in the Pacific.

The four countries have asked for distribution—as a UN General Assembly document—of a declaration of the South Pacific Permanent Commission [Comision Permanente del Pacifico Sur], to which they belong, asking that the French tests in the Mururoa Atoll be immediately and definitely stopped.

The declaration condemns the resumption of explosions on 3 July and the dumping of radioactive waste in the Pacific Basin. The declaration describes these activities as harmful to the marine environment and its resources.

Economy Ministers Begin Study of Bush Proposal

PA3006003990 Mexico City NOTIMEX in Spanish 2225 GMT 29 Jun 90

[Text] Guatemala City, 29 Jun (NOTIMEX)—The economy ministers of Central America and Panama today analyzed U.S. President George Bush's proposal to create a free trade zone with Latin America.

Honduran Economy Minister Ramon Medina Luna said that this will be one of the points to be discussed at the first regional economy ministers' meeting to be held as a follow-up to the presidential agreements signed in Antigua.

Bush's proposal must be carefully analyzed, but in principle it appears to be interesting and advisable, Medina Luna stated.

The ministers must define a new legal and operational framework for the Central American integration organizations, including the Secretariat of Central American Economic Integration, the Central American Bank of Economic Integration, and the Monetary Council.

Also, the ministers began working to establish a joint strategy for regional coordination on foreign trade.

In this sense they plan to establish commercial offices in Europe, North America, and South America, among others. The idea is to obtain better prices for regional products and increased quotas of products already on the market.

The internal development of each country, plans to improve joint investment, and promotion of enterprises are among the topics to be discussed in the coming months by the economy ministers of the region.

Salinas To Meet Caricom Leaders in Jamaica

FL0207142490 Bridgetown CANA in English 1652 GMT 1 Jul 90

[Report by Rickey Singh]

[Text] Bridgetown, Barbados, July 1, CANA—Mexican President Carlos Salinas de Gortari will meet Caribbean Community (Caricom) heads of government in Jamaica later this month in what will be the first full meeting of Caricom leaders and a Mexican head of state, Caricom sources said.

The meeting is scheduled to coincide with the 11th Caricom summit to be held in the Jamaican capital, Kingston, from July 31-August 2. Salinas de Gortari will be on an official visit to Jamaica and the Jamaican Government of Prime Minister Michael Manley is arranging for the encounter.

A major economic topic of discussion at the summit will be President George Bush's recent announcement of a three-segment trade, investment, and debt package for Latin America and the Caribbean. Announced on June 27 as the Enterprise for Americas Initiative (EAI)—even as efforts continue to make Washington's original Caribbean Basin Initiative (CBI) more relevant to the needs of this region—the Bush scheme is intended to foster economic growth and political stability in Latin America and the Caribbean through free market reforms.

The coming meeting in Jamaica between the Mexican president and Caricom heads of government—a direct result, CANA [Caribbean News Agency] understands, of a Mexican request—will mark a highpoint in the new interest by Mexico in the strengthening of its relations with the 16-year-old community.

Mexico itself is one of the countries already identified by President Bush with which the United States plans on establishing a free trade agreement.

A non-borrowing member of the Caribbean Development Bank [CDB], to which it has provided approximately U.S. 19.6 million dollars in financial resources, Mexico will next year be hosting the 21st annual board of governors meeting of the Barbados-based regional banking institution. At the bank's 20th anniversary meeting in the Bahamas last May, Mexico chose the opportunity to sign a comprehensive technical co-operation agreement with Caricom in keeping with the policy of President de Gortari's government to widen its country's economic, cultural, and political relations with the community, which has committed itself to the creation of a single market and economy during this decade.

Caricom secretary general, Roderick Rainford, who signed the technical co-operation agreement on behalf of the community, told CANA the accord provides for Mexican assistance in key sectors of the region's economy. These include tourism, agricultural diversification, aquaculture; natural disasters; agro-industries; environmental protection and management, and industrial programming and promotion.

At the CDB's Bahamas meeting, the Mexican representative, Salvador Arriola, had noted that "despite some positive trends in export and earnings and major efforts by most governments to correct balance of payments problems, the Caribbean economies remain in serious difficulties at the end of 1989."

Pointing to unemployment as a "major structural problem," he said this has "worsened dramatically" in most of the Caricom states. Consequently, the Mexican Government, he said, continues to insist on the need to design a special "global action programme in support of the Caribbean countries."

Prior to the signing of the Mexico-Caricom Technical Co-Operation Accord, Mexico had entered into a special agreement with the University of the West Indies [UWI] under which the regional university will be assisted in

the areas of financing of education; training, research, scholarships, technical co-operation, and consultancy services. UWI vice-chancellor, Alister McIntyre, has explained that this was the first such agreement between the university and a government of Latin America.

"I hope," said McIntyre, "that the Mexican example would be emulated by others and that this agreement will be the beginning of deeper and broader ties between the students and people of our respective countries."

However, officials of regional institutions, such as the CDB and the Caricom secretariat, have told CANA that while the community "naturally welcomes" the Mexican initiatives for closer co-operation, it was up to the community's governments to "prepare themselves for the implications of Mexico's efforts to develop a free trade area with the U.S.A."

Some community officials, who are involved in arrangements for the forthcoming Kingston Mexico-Caricom encounter and the economic conference on the Caribbean in November, said "it is of utmost importance that Caricom puts its own house in order as quickly as possible now that a Mexico-U.S.A. Free Trade Pact is on the horizon after the Canada-U.S. Free Trade Agreement."

According to these Caricom technicians, the region no longer "has the luxury of time when it comes to moving towards a single market and economy."

Cuba

PCC's Aldana Visits Lima, Rates Bush Proposal

FL0207131890 Havana Tele Rebelde Network in Spanish 1000 GMT 2 Jul 90

[Text] Carlos Aldana, member of the Secretariat of the Communist Party of Cuba [PCC] Central Committee, has characterized U.S. President George Bush's economic initiative for Latin America as a deceiving, demagogical, and cynical proposal.

During an interview with two Peruvian newspapers in Lima, Aldana said that Bush's offer—vague and ambiguous—does not present any solution to the problem, that it is only a public relations, effect-seeking proposal that will hinder the region's integration because it promotes an illusion. Aldana explained that the proposal to reduce a $400 billion debt by $7 billion is ridiculous and insignificant for Latin America.

Regarding the proposal of a free trade zone in the region, Aldana said it supposes that very different economies such as those of the United States and the rest of the continent have equal possibilities.

Interviewed by Peruvian Newspapers

FL0207231990 Havana Radio Rebelde Network in Spanish 1700 GMT 2 Jul 90

[Text] While passing through Lima en route to Sao Paulo, where he will attend a seminar for leftist parties, Carlos Aldana, member of the Secretariat of the Communist Party of Cuba Central Committee, has said that Cuba is prepared and will resist any situation, no matter how difficult it is.

In an interview granted to the Peruvian newspapers, LA REPUBLICA and HOY, Aldana said that the idea of an economic catastrophe in Cuba as a result of the changes occurring in the Soviet Union is a dream, especially for the United States. He said that Cuba is prepared for the most difficult situations. We have no other alternative, he said, and he added that the word "surrender" has been excluded from the Cuban revolution.

When asked if Cuba could be pressured into changing its system, Aldana said that the person or people who are promoting this idea are wasting their time because no relations with other countries will ever be based on conditions for domestic changes.

Regarding the topic of a television channel that is directed toward Cuba from the United States, Aldana said that this is a good example of how Washington, when it does not like something, violates all international laws and regulations. Explaining the technology that Cuba uses to prevent the enemy television signal from entering the country, he said that it is unacceptable for someone to require other people to listen to something unless the target people also have the opportunity of doing the same. Aldana described neoliberalism as another means of dependence, subordination, and an instrument for U.S. hegemony in the economies of Latin America, and he warned that this kind of thought will fail.

Responding to a question on the direction the world is taking, Aldana said that it is a confusing time and that it is not the essential ideas of socialism that are experiencing a crisis but rather certain historic practices and experiences of socialism. Aldana warned that the greatest danger these days is that the bipolar nature of the world will become unipolar, which implies U.S. hegemony. We think the convergence of social regimes is a dream because one cannot confuse the processes of large or small integration among the superpowers with the processes of convergence among social regimes, since the large needs have not been eliminated and the large questions continue unanswered.

More Malmierca Remarks on Latin American Tour

PA0207212290 Havana International Service in Spanish 0100 GMT 30 Jun 90

[Report by Barbara Betancourt on news conference held by Foreign Minister Isidoro Malmierca with local reporters in Havana; date not given; italicized passages are recorded]

[Text] There are facts that demonstrate that Cuba's alleged international isolation is nothing but an unfulfilled wish of the island's enemies. This was evidenced during Cuban Foreign Minister Isidoro Malmierca's recent tour of several Latin American countries.

[Malmierca] *We have a very positive view of the results. Aside from the official courtesies that were rendered to us in all of those countries, the meetings we held with presidents, foreign ministers and other authorities, and the honors we received, the people welcomed us very warmly. This was very moving. When the people noticed our flag on the automobiles in which we traveled, they greeted us. They stopped us when we entered or left the places at which we attended meetings or rendered homage to independence heroes or national emblems. They stopped us to express solidarity with the Cuban revolution and to ask us to relay greetings to the commander, to Fidel. This was very exciting; I think the feeling was widespread.*

When we evaluate this attitude toward Cuba, the revolution, and our people's known decision to maintain our revolution, to defend our position and to move ahead with the construction of socialism, we conclude that there is support, solidarity, and admiration. I think that, as a whole, this was evident during every visit to every country.

The Cuban foreign minister officially visited Guyana, Bolivia, and Ecuador, and stopped in Venezuela and Peru in transit.

[Malmierca] *In addition to our overall objectives in all these places of promoting an exchange of views and*

assessing the overall situation in our region and the world, we had bilateral objectives in each one of the countries. In Guyana, we signed the renewal of the agreement on the issuance of diplomatic visas and passports, which had expired. We also renewed the cooperation agreements between the foreign ministries.

In Bolivia, the agreements we had already concluded were formalized through an exchange of notes with the foreign minister. They deal with cooperation on economic, scientific, technical, and cultural matters, as well as sports and public health. We also began talks on the possibility of reaching an agreement to fight the consumption, production, and illegal trade in drugs. We had not had an opportunity to exchange views on the subject with Bolivia, and we expressed our willingness to begin this negotiation. We even informed them that we were on the verge of concluding negotiations of this type with Mexico and predicted—only to be proven right by time—that we would sign an agreement with Mexico in this regard in June. As you know, the agreement was signed two days ago.

In Ecuador, we continued the negotiations on the development of cooperation in some areas of cattle raising and agriculture. As you probably know, we have received in Cuba some cooperation regarding shrimp breeding. In addition, we have offered our experience in cattle feeding to persons interested in this business in Ecuador. We are also negotiating for the possible repair of our fishing boats in that country and for formalization of the air connection between Ecuador and Cuba. We noticed a very favorable, very positive atmosphere.

During a news conference here in Havana, the Cuban foreign minister also emphasized the welcome given to him in the nations he stopped in while in transit to other countries. He was received by the presidents of Venezuela and Peru, and even met with Peruvian President-elect Alberto Fujimori.

[Malmierca] *He expressed to us his desire, or readiness, to continue expanding the relations of cooperation between Peru and Cuba and made specific reference to the areas in which the cooperation could be developed. He talked about cattle raising and fishing. We talked also about the sugar industry and health. He showed great interest, for instance, in any degree of cooperation Cuba could offer in fighting the current dengue epidemics in Peru. What we found in him was this readiness, this desire. He even pointed out that it was necessary for us to discuss these matters again after his inauguration to bring matters to fruition, for us to begin obtaining practical results in these areas.*

At the conclusion of the news conference, Foreign Minister Malmierca received Peruvian Ambassador in Havana Carlos Higueras, who delivered to him the official invitation to the ceremony on the transfer of power in his country on 28 July. During his dialogue with Cuban reporters, Malmierca discussed other topics of interest, which we will discuss in coming broadcasts.

Nicaragua's Borge Departs Peru, Visiting Havana

PA0207153690 Havana International Service in Spanish 1400 GMT 2 Jul 90

[Text] Sandinist revolution Commander Tomas Borge arrived in our country on 1 July from Peru where he was decorated with the Order of the Sun by President Alan Garcia.

During his stay in Cuba, Borge will hold talks with leaders of the Communist Party of Cuba [PCC] and our country's government.

He was greeted in Havana by Manuel Pineiro, chief of the America Department of the PCC Central Committee.

Castro Speaks at Conclusion of CTC Plenum

FL0207223490 Havana Tele Rebelde Network in Spanish 1100 GMT 1 Jul 90

[Text] With the presence of Commander in Chief Fidel Castro, the special plenum of the National Committee of the CTC [Cuban Workers Federation] ended its meeting last night at the Palace of Conventions after two days of work.

[Begin Castro recording] My impression of the meeting, and the opinion of other comrades whom I have asked, is good. It has seemed useful to me, and if I could describe it, I would say it was (?useful).

I have had few opportunities to attend the provincial assembly meetings because of the enormous amount of work I recently have had but I wanted to attend anyway. This is the first assembly meeting on the discussion of the call for the party congress in which I have participated. The provincial meetings passed. I was not able to attend the Havana meeting. I thought about passing through Santiago de Cuba but that was not possible. Then Camaguey had its meeting. That is how the meetings happened. They were almost one right after the other.

I chose this date once I learned that you were going to have this meeting. It seems worth it to me to participate in an assembly meeting of the CTC national directorate, such as this.

I have a report on the topics that have been repeated and discussed throughout the debates and I tried to introduce some of them here, aside from the spontaneous topics that were brought up. We have heard discussions on many of those topics, not all of them. However, we are not obligated to come here and discuss each and every one of the topics discussed everywhere else.

The most important thing is that the meeting was useful, educational, illustrative, that it led to ideas and solutions to problems, that it brought up views. You have witnessed the things discussed here, serious things, profound things. [end recording]

The 195 members of the CTC National Committee, more than 300 trade union leaders that were invited to the meeting, party leaders, ministers, and enterprise directors participated in the discussions. Economic topics occupied the majority of the discussions, especially in the agriculture sector.

The plenum distinguished itself for the detailed examination of each problem and its interest in taking different viewpoints into account and in finding appropriate solutions. The plenum ended with an assessment by the commander in chief on the current situation of our country and on the economic, construction, and scientific plans we have, as well as the assurance that Cuba will not hold back its development. Current efforts have demonstrated this.

[Begin Castro recording] We are working toward the congress. I have no doubt that all these debates will bring many ideas, many good things. Many of these things can be used immediately. It is possible that a portion of these ideas can be used without (?a very long) wait. If we reach conclusions, we do not necessarily have to wait for the congress to implement these ideas. If we are all convinced that this thing is good for that, then we do not have to wait. Many useful things have come from these debates. We are collecting all the ideas.

It would be better, however, in addition to the awareness the people are demonstrating, in addition to this level of concern, this in-depth interest; if everyone was aware of the times we are living in and the risks that exist in the times we are living. Then the people would be better informed and you could [words indistinct].

That is why I have taken the liberty of taking some of your time, so we can discuss these things, so you can see the possibilities and [words indistinct]. [applause]

I think that our slogan of "Socialism or death" does not need to be proclaimed because we are putting it into practice. Yes, in the year that just ended and in 1990 [pounds table three times], we are putting it into practice. We are also putting into practice the slogan of "Fatherland or death" and we are also putting into practice the slogan of "We will win." [applause] [end recording]

Presides at Science Forum Opening

FL0207154390 Havana Tele Rebelde Network in Spanish 1148 GMT 2 Jul 90

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, has presided over the ceremony commemorating the 25th anniversary of the foundation of the National Center for Scientific Research, CNIC.

[Begin Castro recording] Almost every scientific institution in the country has had its personnel trained at this center. Right now we have dozens of people—technicians and scientists—who are being trained for a new institution: the center for.... [changes thoughts] Well it has different names but it is the Chemistry Center for the Pharmaceutical Industry. We spent a lot of time discussing the name but at last we decided to call it the Pharmaceutical Chemistry Center. This is a new center. Workers have already begun laying the foundations for the new building. We intend to finish it rapidly to combine the studies on chemical synthesis with the results of biotechnological research. Other centers have also been created in this area.

Today we have a series of scientific institutions. Many of the best institutions in the country are located close to this center. The Juan Manuel Marque institute is the newest one. It will be in charge of treating some victims of the Chernobyl accident. Another scientific institution is the ophthalmological institute and its microsurgery center. We also have the maternal institute, a good hospital; the (Finlay), which treats the military and civilian population—a very good hospital which was enlarged not long ago; and the Frank Pais, one of the best hospitals on the continent.

The Frank Pais has been remodeled; it has great international prestige, and it is a center of international reference. Finally, not far from here, we have the CNIC. These six scientific institutions are mostly new or have been recently remodeled. Very close by here we have the Basic Sciences Institute where many people that ended their training at the CNIC began their studies. We are planning to build a large surgical and clinical department there. It will be a wonderful and beautiful department.

We are planning to build a Biology School. We have built the Biotechnological and Genetic Engineering Center. This center has been very successful; it has gained great prestige in a short time. Today we are able to advance more rapidly because we have more experience. We will soon inaugurate the new Tropical Medicine Institute. This institute was operating in an old building and now has good, new facilities, with all the necessary equipment to conduct research in in a very important area for Cuba and the world.

I have already mentioned the Pharmaceutical Chemistry Institute. They add up. Near the School of Medicine we will build a center and laboratory for research and production of monoclonal antibodies to fight cancer [pauses], and for the diagnosis of cancer as well. We have a good piece of land ready for this center. We have all these scientific centers today. I think we are going to have a large scientific community here. [end recording]

CNIC Director Doctor Carlos Gutierrez Calzado handed the commander in chief a plaque stating the community's recognition of him as founder of the institution. Workers with 15, 20, and 25 years seniority also received medals.

The CNIC has built complex equipment for health diagnosis, has elaborated medicines for high-frequency diseases, and has conducted research in agriculture over the past 25 years. Before this ceremony, the commander

in chief inaugurated a plant for the manufacture of medicines that uses natural products as raw materials.

[Begin Castro recording] I think all these innovations, which are pleasant and fill us with encouragement, enthusiasm, and trust, are in my opinion the best homage to the CNIC because this center has worked hard, has trained many scientists, and has encouraged scientific research in the country. [end recording] [applause]

Minfar Inspects Havana Defense Readiness

FL0307112090 Havana Tele Rebelde Network in Spanish 1000 GMT 3 Jul 90

[Text] Pedro M. Perez Betancourt, head of the ministerial commission for the province, has reported that the Minfar [Ministry of the Revolutionary Armed Forces] inspection in Havana City has verified a major quantitative and qualitative leap compared to 1988, when it was declared ready for defense in the first phase. At a summing-up meeting, the high-ranking military chief stated that most of the deficiencies pointed out two years ago had been resolved and there had particularly been progress in combat readiness for defense, firing, operation of the general staffs, and cadre training.

He also praised the results in combat training, readying the economy for wartime, internal order, civil defense, and other tasks, although he called for continued work on some fronts where there are still problems to be eliminated. For his part, Jorge Lezcano Perez, party first secretary in Havana City, fully agreed with these preliminary evaluations and above all with the deficiencies pointed out. Tell Raul [Castro] that we will work responsibly and seriously to strengthen the defense of Havana City, the party leader said.

Inspects Pinar del Rio MTT

FL0307121590 Havana Tele Rebelde Network in Spanish 1000 GMT 3 Jul 90

[Text] The effectiveness in night firing shown by the workers who are members of the MTT [Territorial Troops Militia] impressed the Minfar [Ministry of the Revolutionary Armed Forces] inspection commission to Pinar del Rio Province, which verified the possibility of declaring the territory of the Western Army ready for defense in the first phase.

In summing up the visit, which began on 26 June, Commission Chief Colonel Jorge Romero described as satisfactory the qualitative level of the firing by these militia members, who were mobilized at night without prior notice. The commission fulfilled its work plan, carried out its capability tests in units chosen at random, and stated that it was also impressed by the level of information the workers have about provincial plans.

Problems detected by the inspectors included the need to improve the warning given to the populace and optimize the economy even more with greater fuel conservation, especially for vehicles which circulate without important work objectives. Fidel Ramos, a member of the Central Committee and party first secretary in the province, stressed the high level of professionalism shown by the members of the commission during their days of work.

Fidel Inaugurates Chernobyl Childrens' Facilities

FL0207125290 Havana Tele Rebelde Network in Spanish 1020 GMT 2 Jul 90

[Excerpts] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba [PCC] Central Committee and president of the Councils of State and Ministers, has presided over the inauguration of new facilities in Jose Marti Pioneers City, Tarara. These facilities were remodeled to receive Soviet children that were victims of the Chernobyl accident. The Soviet children will begin arriving in Cuba as of today.

[Begin Castro recording] I inaugurate these facilities with deep satisfaction. We would do this for any children in the world. Many children from many countries are treated in our hospitals. Some of them are adults. They come from Nicaragua, El Salvador, or anywhere in Latin America to undergo cardiovascular surgery or to receive specialized treatment in areas in which our country is ahead. In this case, the victims are not only children—they always win people's hearts—they are also from the Soviet Union, a country with which we have close ties and which has given us so much proof of solidarity. [passage omitted]

I am sure that those children, thanks to our pioneers' generosity and our people's love—almost all of them, if not all—will resolve their problems and will carry with them an enduring memory of our fatherland. A day like today, for those reasons, must be of deep satisfaction for all of us. We are fulfilling our duty as socialists, [words indistinct], because only socialism can do this. [end recording]

Before the inauguration Fidel inspected one of the remodeled buildings and the hospital where up to 30,000 Soviet children will be treated every year. During his visit Fidel asked questions about the facilities and talked with workers and doctors. [passage omitted]

Welcomes Children at Airport

FL0207235390 Havana Radio Rebelde Network in Spanish 2311 GMT 2 Jul 90

[Report by Miriam Ruiz Murphy on the "Exclusivo" program]

[Excerpts] Two hundred fifty-five Soviet children affected by the Chernobyl accident, six mothers, 18 educators, and two Soviet doctors arrived in our country today. Our Commander in Chief Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba, welcomed the children at the foot of the ramp to the airplane. One by one, Fidel helped the

children to disembark from the plane. On several occasions he remarked how much energy they had because they were so quick to descend. The Cuban Pioneers received the children with flowers, candy, and toys. All of Cuba welcomed them with brilliant sunshine.

(Tamara Esmathenco) heads the Soviet group and will remain in our country for about two months.

In the first stage, Cuba will be able to receive 10,000 of the children affected by the Chernobyl accident, and it can receive 30,000 children over the entire year.

The Cuban Pioneers gave the Jose Marti Pioneer City to their little Soviet brothers and they will share it with them, just as they went to receive them today at the international airport in the capital. [passage omitted]

Fidel, with a big smile, and concerned about the hot sun, told them:

[Begin Castro recording] Friends, children of the Soviet Union, I will be very brief. I think that you wish to be in the Pioneer City. We are very glad you have had a good trip. We wish you a happy stay in our fatherland and that you will soon be able to return in good health. Thank you for the confidence you have expressed in our country, our people, our Pioneers, and in the skills of our doctors. I will see you soon. [end recording]

The 255 Soviet children and their companions are now at Jose Marti Pioneer City, the installation which the little Cuban Pioneers offered to the children in a letter they sent in April so they can get well quickly and also be happy like they are.

Trade With East European Countries Decreasing

AU3006145690 Vienna DIE PRESSE in German 16-17 Jun 90 p 8

[Report by H.O.]

[Text] Vienna/Havana—For the Cuban Government, the year 1990 is the most difficult year since the revolution. The economic crisis will probably continue in 1991. "The decisive changes in a number of East European states have caused a far-reaching cooling down of relations—apart from those with the Soviet Union," a report by the Austrian trade delegate to Havana, Georg Krauchenberg, says. It is hardly to be assumed that the East bloc states will continue to intensify their trade with Cuba in the future. In addition, most post-communist countries demand payment in hard currencies from Cuba.

Particularly affected will be the joint industrial projects in Cuba, which will probably have a negative effect on the further industrial development of the country. In addition, there are the developments in the GDR, Cuba's second- most important CEMA partner after the USSR. According to Cuban information, Soviet aid to Cuba is to be raised at least for this year. The Moscow daily IZVESTIYA announced that Cuba is the USSR's largest debtor with 15.4 billion rubles. According to the official exchange rate, this would be $24 billion.

This year, the development of Cuba's economic relations with Eastern Europe has many question marks. Since Cuba does not intend to change its system of a centrally planned economy with its production enterprises, which have only a very limited power of decisionmaking, efficient cooperation with the CEMA states will also become more difficult in organizational terms, because the economic systems of the individual countries are diverging. Cuba, which is comprehensively integrated within CEMA, conducts about 85 percent of its foreign trade with Eastern Europe, 78 percent of this with the Soviet Union.

In relations with Western countries, Cuba's high debts are the main problem: Since mid-1986, repayment of debts has been almost completely suspended. At the end of September 1989, the amount of debts reached about $6.2 billion; currency reserves amounted to only $93.4 million.

* Problems Beset Spare Parts Recovery Program

90CU0054A Havana BOHEMIA in Spanish 18 May 90 pp 24-26

[Article by Ariel Terrero]

[Text] No one doubts that appearances are deceiving, but some have fallen into that dangerous trap. The highly touted import substitution movement promoted by the IV National Forum on Spare Parts is one example: over time it has proven to be considerably less effective than it promised to be, and it still falls well short of its stated goals.

The greatest achievement of that event, rightfully considered the most important ever held by the national mechanical industry, was the fact that it showed for the umpteenth time that Cuba has sufficient human and technological potential to manufacture the spare parts that the country cannot import from the capitalist market because of its severe shortage of foreign currency. But that is just one side of the coin; the economy provides the other side when it determines the fate of entire industries, agricultural and construction teams, transportation, and a wide variety of machinery, all of which hang from the delicate thread of spare parts.

The nearly 4,000 reports submitted by innovators and efficiency experts in all the provinces will result in effective foreign currency savings when the spare parts and components devised by these experts are mass-produced. In the meantime, they are just prototypes: a plan for survival.

The most difficult task, therefore, came after the forum: joining forces above and beyond the isolated efforts of one or more technicians or workers. The interests of all

the different enterprises and organizations thus came into play, along with the entire labyrinth of bureaucratic relations inherent in them.

Tightened Purse Strings

As of February of this year, the country had put into production only 49 percent of the 4,738 categories of spare parts presented at the IV Forum, which had been held a year and two months earlier.

The National Spare Parts Commission has good reason to be satisfied, despite the low number cited above. "The parts are being manufactured without any additional financial investment for the purchase of raw materials," Raul Gomez, secretary of that institution, told BOHEMIA.

There is simply no money, especially not hard currency, for any extra expenses. The omnipotent hidden forces of the economy emerged from the darkness of the warehouses to show their face. The enterprises were able to boost production of these spare parts using their own resources. The idle inventories accumulated during the days of freer spending served a purpose. The irony of life: When the purse strings are tightened, vice comes to the aid of virtue.

The lack of financial resources makes it impossible to produce spare parts and components, especially those that require special steel and other imported materials. But that is by no means the only obstacle to the production of the 2,428 categories highlighted at the forum.

Papers Gathering Dust

The lack of control and organization also poses an obstacle. When the IV Forum was held in December 1988, no one knew for sure how many reports, categories, or participants there were. "At that time we had correctly codified only the reports of the 100 finalists and 600 others, out of nearly 4,000 that were presented," confessed Urbia Vila, a specialist with the Scientific and Technical Documentation and Information Institute (IDICT), to BOHEMIA recently.

The IDICT had been assigned the task of organizing the hodge-podge of reports that had been forwarded from the provincial forums.

Urbia believes that the Forum was staged too hastily and that no one in the provinces fully understood the effort. "They skipped a lot of steps; they sent the reports late, without correctly codifying them or without including the general list, and there was no way to accurately identify the economic sector the part belonged to. They spent their time making sure the reports looked good, wasting what little time they had to carry out the essential steps in the processing of the information."

This was not a matter of mere bureaucratic red tape. When the assessment organizations, which had been instructed to provide an assessment of the demand for spare parts by sector, came to the IDICT to pick up the reports for the sectors that had been assigned to them for production in other enterprises; they discovered that the reports could not be found amid the jumble of reports filed away in some corner of the Capitol. There was no record of where each report had been filed.

The solution, albeit a partial one, was achieved more than 6 months later. During the interim, most of the reports—so vital and urgently needed by the economy—lay gathering dust.

In anticipation of the IV Forum, which will be held in December of this year at the Palace of Conventions, the National Spare Parts Commission has passed the ball to the State Committee for Statistics to organize and codify the reports, trusting in its superior ability to carry out such tasks. If everything is left till the last minute again, however, that mess won't be straightened out even with supercomputers.

Something More Than Good Will

The Forum is a formal event, an official of the National Commission told me a few days ago. And he's right. The gathering will merely serve to cap an ongoing research effort: Prizes will be awarded, experiences will be shared, scientific and technical projects will be promoted, etc. The parts will be introduced into existing plans as soon as possible, depending on how the reports develop and how the prototypes test out.

But everything is very far from being put in motion. Some reports have been gathering dust for nearly two years, and not for lack of resources.

There are economic mechanisms and bureaucratic regulations that constantly undermine efforts at negotiation and cooperation among enterprises. Producing parts or components for entities that belong to other ministries, or even within the same organization, is often a daunting prospect for a factory, and it may even hinder the factory's economic efficiency. If in addition to that we consider negligence and laziness which are so prevalent....

So far the unpopular and unfeasible production of small quantities, for example, has been made possible with a good deal of voluntarism, and this vice always ends up detracting from efficiency. The spare parts forums could be less formal and passive if they began studying in a more comprehensive and methodical manner—by means of committees or round tables—all the stumbling blocks that have been hindering the production of these much-needed spare parts.

The next forum would be in keeping with the Convocation of the IV Party Congress if it undertook to carry out a critical analysis of such problems so that it could forward suggestions to the state for the improvement of national economic policy.

The management of the economy requires something more than just good will.

Inter-Caribbean Affairs

Cuba Continues To Lobby for CTO Admission

FL020712079O Bridgetown CANA in English 1943 GMT 30 Jun 90

[Report by Debra Ransome]

[Excerpts] Port of Spain, Trinidad, June 30, CANA—The Caribbean Tourism Organisation (CTO) is to recommend to Caribbean Community heads of government meeting in July that they discuss the issue of letting Cuba into the regional tourism body, sources at a just-concluded CTO conference here said. The CTO Council of Ministers held an informal meeting Friday [29 June] and were unable to get a quorum. The meeting followed a four-day conference on the social and cultural impact of tourism which led to the drawing up of a regional action plan for tourism. [passage omitted]

The issue of allowing Cuba membership of the English, French, and Dutch speaking Caribbean CTO grouping was discussed on Friday but no decision could be taken because of the number of ministers attending the meeting which took place in Tobago.

Ministers attending the session were Jamaica's tourism minister, Frank Pringle, Wes Hall of Barbados, Trinidad and Tobago's minister responsible for tourism, Suruj Rambachan, Curacao's commissioner for tourism, Ruben Page, Aruba's Edward Briesen, Puerto Rico's tourism minister, Carlos Diago, Joan Purcell of Grenada, Anguilla's minister, Emile Gumbs, and Glen Godfrey of Belize.

The CTO has 28 member countries taking in the Bahamas, Turks and Caicos and Jamaica in the north to Trinidad and Tobago and Guyana in the south. Haiti and the Dominican Republic are CTO members.

Cuba, which has been knocking on the CTO's door for sometime, came in this week for more discussion and continued its lobbying during the three days of the conference in Trinidad and the final two days in Tobago.

Trinidad and Tobago and Jamaica publicly said this week they were willing to give Cuba their vote Friday in the light of general discussion on opening up the English-speaking Caribbean Community grouping to Cuba. The CTO officials, therefore, decided that the issue could be thrashed out at the heads of government level when they meet at the end of July for their annual summit in Jamaica.

Caricom foreign ministers have already mandated Caricom's secretariat to look into possible increased Caricom/Cuban relations. Foreign ministers next meet formally in October.

Because of the lack of quorum, the CTO Council of Ministers were unable to make any formal decisions although conference officials told CANA [Caribbean News Agency] there was heated discussion on what were referred to as "housekeeping" matters. [passage omitted]

Haiti

New Election Dates Announced; Article 291 Kept

FL0207165590 Port-au-Prince Radio Nationale in Creole 1300 GMT 2 Jul 90

[Excerpt] The Provisional Electoral Council, CEP, in charge of organizing the coming general elections in Haiti, made public the new electoral law on 29 June. This law is to regulate the way elections are to be held in Haiti.

The CEP had recently announced a delay because of the situation in Haiti, [words indistinct] set the election date back. Elections were to have been held in September 1990. Now the elections are going to be held between 4 and 25 November 1990. [as heard]

On the occasion and for the first time, many security measures were taken at the CEP headquarters in Port-au-Prince. Heavily armed police were checking all visitors. Regarding security measures, CEP president Jean-Robert Sabalat expressed the hope that the judiciary and the Haitian Armed Forces [FADH] will be able to get together and adopt measures to solve the insecurity problem in Haiti.

CEP president Sabalat said: We have the impression that, in this connection, the judiciary and the Haitian Army are passing the buck back and forth among themselves.

The CEP president and members denied all the reports to the effect that there will be UN troops coming to Haiti on the occasion of the elections. They said that no, it is not a question of this at all. Simply, a UN technical-assistance and verification mission is to come to supervise the coming elections in Haiti.

The CEP members and president said further, that it is up to Haiti, the Haitian authorities, to find a solution to the matter of insecurity because they are capable of solving this problem. They also said the new electoral law provides for the creation of Electoral Security Agents, who can be (?obtained) with the help of the Boy Scouts and the neighborhood committees in Haiti; and that, for the first time, the Army is henceforth willing to accept the collaboration of grass-roots groups, which was rejected in the past.

Sabalat expressed his satisfaction with the first meeting he had with the Committee for the Coordination of Security for Electoral Activities. This committee was created recently by the Army High Command to guarantee security for the coming elections in Haiti.

The new electoral law has 161 articles and will be submitted to the executive this week so the executive can promulgate it after hearing the suggestions and opinions of the political parties.

Thus, the elections are scheduled for 4 and 25 November 1990. [as heard]

We remind listeners that this new draft electoral law adopts Article 291 of the Constitution, which bars all the big Duvalierists from running for office for 10 years—all the people who worked to allow Duvalier to stay in power in Haiti. [passage omitted]

Executive Representative of CEP Installed

FL0207171390 Port-au-Prince Radio Nationale in Creole 1300 GMT 29 Jun 90

[Report by Michel Lubin]

[Excerpts] The ninth member of the Provisional Electoral Council, CEP, agronomist Marc-Antoine Noel, was sworn in at the Court of Cassation at the Law Courts in Port-au-Prince on Wednesday 28 June [date as heard]. Noel replaces, as representative of the executive, Pierre Gonzales, who resigned not long ago.

Noel feels the future of the coming elections lies in the hands of patriotic Haitians who [words indistinct] with competence and determination that they cannot deny. The attacks and insecurity to which the 1987 CEP fell victim before and even during the 29 November elections cannot stop the [current] CEP from making any decisions to the benefit of the nation, which is almost dead.

Noel said that although everyone is claiming that the executive has lost its credibility, the fact that the executive has set the CEP to work—through his presence—demonstrates that the executive wants the CEP to get where it wishes to go. [passage omitted]

Agronomist Marc-Antoine Noel worked for 23 years in almost all of our provinces. He came back to Port-au-Prince after 7 February 1986. The government at the time immediately appointed him director of education at (Onpep) [expansion not provided]. He resigned in March of 1987. [passage omitted]

Trinidad and Tobago

Robinson Confers on Guyanese Electoral System

FL0207174990 Bridgetown CANA in English 1557 GMT 2 Jul 90

[Text] Port of Spain, Trinidad, July 2, CANA—Trinidad and Tobago's prime minister, A.N.R Robinson has been exchanging ideas with Guyana's President Desmond Hoyte regarding reforms to Guyana's controversial electoral system, External Affairs Minister Sahadeo Basdeo said on Monday [2 July]. Basdeo, in an interview with CANA [Caribbean News Agency], said the discussions, initiated in May by Robinson who sent a special envoy to Georgetown, were aimed at bringing about changes to the electoral system so that forthcoming elections are "not only free and fair but seen to be free and fair."

Hoyte responded through a special envoy who was sent here at the end of May and was "very interested in pursuing the proposals," Basdeo said. Basdeo declined to give details, but said Hoyte and Robinson planned to seek broad regional support for the initiative at this month's summit of Caribbean Community (Caricom) heads of government in Jamaica.

Robinson's initiative was in response to requests made by Guyanese nationals living in Canada and the United States. Trinidad and Tobago was recently involved in efforts to help out with electoral reform in Panama, Haiti, Namibia, and Nicaragua.

Guyanese opposition parties have repeatedly accused the People's National Congress (PNC) government of rigging successive elections to stay in power. National elections are constitutionally due in Guyana by next March.

Belize

Caribbean Development Bank on Economic Growth

FL2906163390 Bridgetown CANA in English 1607 GMT 29 Jun 90

[Text] Belmopan, Belize, June 29, CANA—The rate of economic growth in Belize has declined after relatively good performance in 1987 and 1988, the Caribbean Development Bank has reported. Real growth was down to 8.3 per cent in 1989, the bank said in its annual report. The growth "reflects an overall expansion of activity in both the real and monetary sectors", the bank explained. "This performance was accompanied by increases in net foreign reserves and the fiscal surplus," the CDB added. Noteworthy also was a dampening of domestic credit demand, and relatedly a build-up of liquidity in the banking system.

The performance of agriculture improved moderately in 1989. Sugar exports rose by 1.8 per cent to 77,296 tonnes in response to direct governmental assistance to cane farmers and higher contractual prices in 1987 and 1988. Consequently, earnings increased by 8.5 per cent to 35.5 million dollars (U.S.) because of weak export prices in 1989.

Meanwhile, production of oranges rose by 8.2 per cent to 1.4 million boxes while grapefruit production increased by 5.7 to 0.9 million boxes in the crop year 1988/89. Exports of orange and grapefruit concentrates increased by 20 per cent and 23 per cent, respectively, in 1989. Although prices declined because of increased supplies on the world market, export earnings rose by 11.6 per cent to 19.3 million dollars.

Banana exports rose by 7.6 per cent to 26,130 tonnes valued at 9.7 million dollars.

Preliminary data suggest that garment exports stabilised in 1989. However, exports of sawn wood fell by 15 per cent to 2.3 million dollars in 1989.

Central government's current revenues rose to 64 million dollars for the first nine months of 1989/90 compared with 55.1 million dollars for the corresponding period in 1988/89.

The expansion reflected the impact of higher imports on international trade taxes, the multiplier effects of increased incomes in 1988 and higher non-tax revenue. On the other hand, current expenditures increased to 51.2 million dollars, or by 5.1 per cent.

The current surplus of 13 million dollars for the first three quarters of 1989/90 was used primarily to finance a sharp expansion in capital expenditure and to facilitate a reduction in domestic borrowing. The rapid expansion in domestic credit which followed interest rate reductions in August 1988 was not sustained in 1989 and net domestic credit rose by only 1.1 per cent to 102 million dollars.

"The moderation in growth resulted primarily from the contraction in public sector borrowings which more than offset the expansion in credit to the private sector," the CDB said.

Lending to the private sector rose by 15.3 per cent to 122.5 million dollars largely to finance increased lending to agriculture, construction and the distributive trades.

There was a substantial build-up of liquidity in the banking system, as commercial banks accumulated deposits with the Central Bank and expanded their holdings of liquid assets.

The external debt as at the end of 1989 was 128.4 million dollars, or approximately 42 per cent of current GDP. Debt service amounted to 14.1 million dollars. "Economic activity is expected to continue at a relatively high level in 1990 and 1991," the CDB said.

"If weather conditions are favourable, growth in agriculture will be boosted mainly by increased citrus and banana production. "However, uncertainties regarding the continuation of protection for banana exports following the introduction of a single European market by 1992 still prevail.

"The recent re-allocation of 30 per cent of Panama's sugar export quota to the U.S. among sugar producers in Caricom [Caribbean Common Market] for 1989/90 exports, and the shortfall in Guyana's exports to the U.S. and the EEC offer good prospects for the upturn in sugar exports in 1990."

The bank said that in view of the high levels of liquidity in the banking system, economic policy in 1990 should focus on channelling resources into expanding investment in the productive sectors, while restricting the growth of imports for consumption.

El Salvador

Defense Minister on Armed Forces' Situation

PA0107232490 San Salvador TCS Television in Spanish 1215 GMT 29 Jun 90

[Interview with Defense Minister General Rafael Humberto Larios by Lorena Koberg and Ricardo Rivas on the "Face to Face" program; date not given—live or recorded]

[Text] [Rivas] Today Defense Minister General Rafael Humberto Larios is with us. Good morning, General. Thank you for accepting our invitation. First, the Armed Forces has been the subject of widespread comments over the past few weeks. Political and union representatives have amply commented on the situation of the Armed Forces and have prompted it to become one of the principle topics at the current negotiations between government and the rebels. It is also the main reason for the Armed Forces to be present at these talks. You have kept almost completely silent despite all the statements

that have been made about the Armed Forces' past, present, and future. Why is this?

[Larios] First, I would like to thank you and the television station for inviting me to this program. I believe that the reason different sectors have been commenting about the Armed Forces is that the government and the rebels are currently holding negotiations. These sectors express their opinions and attempt to find valid, rational, and civilized alternatives that will contribute to the solution of the 10-year armed conflict in our country.

The Armed Forces' silence should not be construed as representative of its conduct. Quite the contrary, the strength of the military institution itself makes us sparing and responsible with our words. We tend to listen more and evaluate the proposals presented by the different sectors in the country concerning the military as an institution.

The Armed Forces have publicly given their position concerning the ongoing negotiating process. We have not only done so recently, but have stated our position many times in the past. We are a government institution with clear functions and responsibilities assigned to us mainly by the Constitution. As such, the Armed Forces completely accept, strengthen, and support the government's political efforts and determination to promote adequate conditions that will further solutions to the armed conflict and alternatives that will allow us to reach the peace that Salvadorans want and hope for so much. We have eloquently expressed our institution's position in this respect, and it has obviously strengthened the government's political will to find viable solutions to the nation's violence as soon as possible.

[Rivas] You have mentioned the Armed Forces' functions and, as I previously stated, there have been many comments about this. Do you know if the institution has distorted its functions during this century?

[Larios] I believe that the Armed Forces have always tried to comply with the obligations and requirements assigned to it by the nation's basic laws, mainly those stipulated in the Constitution. Undoubtedly, the realities experienced by the country, and especially by the military institution, demand that our attitude be totally professional and that our behavior be adjusted or corrected to respond to the nation's needs. The country's current events are unprecendented in the country's history. The military institution, like any other organization, has been subject to all types of change throughout its history. At present the Armed Forces comply with and enforce the Constitution.

[Koberg] Different sectors in the country, however, maintain that the Armed Forces have invaded areas that are not part of their responsibility. Their main example is the administration of justice, said to be under military control. They also mention other organizations in our society that are similarly controlled. This, they say, is what the Farabundo Marti National Liberation Movement [FMLN] and the government are attempting to negotiate at present. They are reportedly negotiating curtailing the Armed Forces' actions.

[Larios] This topic has been amply debated and is currently being discussed by the FMLN and government dialogue commissions. Some sectors have attempted to explain and justify the Armed Forces' demilitarization. You have just mentioned a specific example—the administration of justice. In this respect, I must point out that this has never been the institution's norm of conduct. There might have been some cases or special situations—some that we could even mention—but despite this, I believe the institution's position has always been respectful; it has always held its rightful position as a government institution that ensures state security, peace and tranquility for Salvadorans, and other functions that have been assigned to it.

I do not believe that such events took place. However, if such events did take place, obviously our efforts today seek to strengthen institutions and the independence of the branches of the government and their specific work.

[Rivas] What do the Armed Forces think of the demilitarization of society, because this is a subject that has been brought up in the negotiations. Further discussion will be necessary in this respect. What do you think of the demilitarization of society?

[Larios] This is a matter that was brought up in the dialogue process. It has been a specific FMLN proposal. Actually, when we talk about demilitarization, we do so because we assume that there has been a militarization. Obviously, I believe that the national reality has demanded—at a specific time—the strengthening of Army structures. The country and the Salvadoran people were victims of aggression. The aggression had to be repelled, it had to be halted. One of the unquestioned duties of the Armed Forces as the legitimate representative of the people is to face such national challenges. The Salvadoran people obviously had the right to defend themselves through the Armed Forces. The Salvadoran people, and the Armed Forces as an institution, felt the need to strengthen and grow. This had to be—otherwise, we would not have been fulfilling our constitutionally assigned duties.

Therefore, this is the result, the consequence, and the effect. The growth of the institution is the result of the challenge by the FMLN, which attacked our territory, our people, and our country. Hence, the growth of the institution happened because conditions at that time demanded an institutional response. Otherwise, I repeat, we would had been neglecting our constitutional duties. The growth of the Army is the result of specific circumstances due to the prevailing situation at that specific time.

[Rivas] Regardless of the number of soldiers in the Army, which has significantly increased because of the prevailing situation in the country, I believe that the point of discussion is the role of the military over the past 10 years. As we said during the preceding question, the issue is the role of the military during the century that is about to end.

General Larios, I remember that during the political campaign, a prominent politician from the Democratic Left asked a question. In fact, I think he made that question during our program. He said: Go to any town in the country, to any village, to any canton, and ask who is in charge—the mayor or the commander. Everyone will respond that the commander is in charge. Gen. Larios, would this impair the subordination of the military power to civilian power? Does this also happen at the highest echelons of power? Would this simply reflect what happens at the rank and file levels? This has been one of most widely discussed topics. As Lorena said, this was criticized some time ago, when we were talking about the crisis in the administration of justice.

[Larios] It may be necessary to point out that the Salvadoran people, not necessarily the Army as an institution, have been victims of a great plot, of a great disinformation campaign. The natural enemies of our country and our people, who want peace, have made an exerted effort to destabilize the country. Obviously, the Armed Forces are the obstacle that those foreign forces are finding along the road. This plot—intended to destabilize the institution, and which has caused so much harm to the Salvadoran people—has been the FMLN's response to generate harm, confusion, and doubt among the people and to discredit the Armed Forces. The truth is that the aggression happened at all levels, and it was a nationwide aggression. Certainly, we had to respond to the aggression to defend and protect the Salvadoran people. This undoubtedly allowed us, as an institution, to cover the entire country in terms of national security. You can see that as you mentioned, troops had to be deployed to various locations. The military component obviously increased and developed. The military component, in charge of halting the aggression, was amid a unique situation. Why? Because the aggression demanded a military response.

In this regard, it is very possible that at some specific times, some may have wanted to blame the institution or to take advantage of a situation to then say that the military, instead of the civilian authority, are in charge. I want to tell you that because of our principles, our training, and our dogma, we are basically obedient. This has been the permanent message we have conveyed in our institution. We have proven that we are a state institution, an armed force that is essentially obedient as established in the Constitution. All our attitudes and behavior are in line with the mandates in the Constitution. I do not want to say that such situations have not occurred. It is quite possible that they may have existed. However, this is the result of the overall situation the country is enduring. This is not justified at all. We clearly understand the role of the Army within the country's social context. We clearly and fully understand national reality. We understand, and we have given proof of this, that our activities are subordinated to [civilian authority]. We are developing this awareness to change and restructure our attitudes and behavior.

[Rivas] The attitude adopted recently by the Armed Forces in handling the Jesuits' case or the San Sebastian case has been to say that these incidents were not ordered by the Army. Also, we have a report on human rights violations by 15 colonels. If we add this to the work by the FMLN abroad, can we say that the Armed Forces has now been put on the defensive? Is it that you are trying to adopt a more political criteria or that you are obeying President Alfredo Cristiani by not responding to these accusations that have been levied against you?

[Larios] As I said a few seconds ago, I believe the entire country and the Salvadoran people are the object of aggression. This aggression is not necessarily of a military nature, but can be diplomatic and military aggression. That is why there is an attempt to question us. There is an attempt to introduce destabilizing and distorting elements inside the institution to generate conditions that no doubt will benefit the FMLN. The international plan and the FMLN strategy are intended to dismantle a traditional and historical institution of this country.

[Rivas] Some Armed Forces members with their behavior have made the institution more vulnerable to the aggression you mentioned.

[Larios] Of course. We believe the institution, as an institution, has to follow proper conduct, regardless of the particular attitudes and actions of some groups or persons within the institution. We are against that. To counter it, we are giving very clear signals that the Armed Forces are changing as an institution and are seeking to upgrade their situation. Their image and prestige are improving because of that attitude.

[Koberg] On past programs here, Former Defense Minister Eugenio Vides Casanova stressed the professionalism of the Armed Forces. In cases like those Ricardo mentioned, the professionalism is once again questioned. How is it possible, considering that so much emphasis is placed on their professionalism, that such cases continue to happen, and there are more human rights violations, as some sectors charge?

[Larios] The Armed Forces' professionalism is the most important characteristic of an institution. As an armed institution, we really are trying to instill that professionalism in all our cadres. We are trying to strengthen that professionalism in the different phases of an officer's life throughout his military career. Actions that raise questions concerning the professionalism of the institution and cast doubt on the degree of professionalism within the Armed Forces are part of the institution. I believe no institution is exempt from internal individual cases despite its professionalism. Yes, that situation does raise questions concerning the professionalism of the institution.

There are individual actions or professional actions that fall short of the guidelines and basic principles of that institution and draw away from the Armed Forces' professionalism, although all of us at all levels and commands are constantly insisting on this. We clearly cannot, in all fairness, question the professional conduct

of an individual or a group in connection with an incident or a special action without questioning the professionalism of an institution. The individual professionalism of a chief, an officer, or an enlisted man, is his alone, although the professionalism of the institution also has a bearing here.

In this respect, we believe we necessarily have to differentiate between the professionalism of the institution and the professionalism of each of its members. Whenever there is a breach in the Armed Force's professionalism or a violation of the professional conduct that the Armed Forces' members must maintain, we, as an institution, proceed to correct and punish that situation within the corps.

[Koberg] In the negotiations, the FMLN stated that to improve the human rights situation, there must be a purge within the Armed Forces. What is your stance regarding the possibility of a purge? What would you accept as a purge of the Armed Forces?

[Larios] We have discussed the matter a great deal. We have analyzed and assessed the FMLN remarks. We agree that an institution needs to improve. An institution needs to change and an institution needs to readjust its work methods. Of course, we do so understand all of this will enable us to be a better institution and better serve and fulfill our constitutional responsibilities. In this respect, we do not reject the use of the term purge. We are not opposed to a purge. Quite the contrary. We believe institutions are subject to evolution and can be improved.

We believe that because we are an institution, we handle special procedures to seek ways to improve the internal aspects of the institution, with the sound purpose of better serving the people, with whom we have a commitment. As an institution, we believe and act on the premise that this is a need in every institution, the Armed Forces or any other. It is a need for every organization and institution, and we are no exception. We understand this situation full well. We are aware of the need to readjust and to change.

We are aware of changes. We are aware of that need. To be sure, all of this comes as the result of the needs of the institution to improve its handling of its duties. We think the procedures and methods used by the institution are appropriate for it. In this respect we are purging—if you will—improving—if you will and want to use that term—the internal aspects of the institution so that it can formally fulfill its responsibilities.

[Rivas] Do you believe that the system of groups and promotions, such as the famous La Tandona [1966 graduates of the Captain Gerardo Barrios Military Academy] of which there has been so much talk, somehow alters the feasibility of the self-purge you want to continuously maintain within the Army?

[Larios] I believe that we could consider two positions. One is that if this group of people, as a class, deviates from the professional and institutional principles of the Armed Forces as an institution, that would be negative and bad. However, if we behave as a professional group, strictly following institutional guidelines and the main duties and responsibilities of the Army as an institution, that is positive. Why? Because this strengthens the institutional plan. However, I repeat, if people deviate to a contradictory and different position, that would obviously be negative and harmful in any organization or institution. This would obviously distort the image of the organization.

[Rivas] What has been the path of La Tandona? Which path has it followed? We have listened to some opinions condemning it. We have heard the Americans report linking 15 Tandona colonels to serious human rights violations. Does this mean they have been following the wrong path?

[Larios] It is necessary to analyze this issue. The criticism to which you have referred not just against La Tandona, but also against us as the chiefs of staff, are because of the great conspiracy I talked about. They are due to the FMLN campaign to discredit and destabilize the Army, which the FMLN has carried out through its political and diplomatic front. Certainly, U.S. congressmen and senators have been victims of this campaign. They have been victims because they have not recognized efforts by the Salvadoran people and Government to find a feasible solution to the armed conflict the country has been enduring for the past 10 years. We cannot even say or assess in absolute terms the professional conduct [of La Tandona] as a group. We cannot say that the entire group is bad. There might be some individuals within a group who may have deviated from the upright, professional, and institutional position. This is negative and harmful. This should be corrected and punished when necessary. In other words, everything should be kept within guidelines and normal ethical and professional parameters. If we deviate from such guidelines, we should be sanctioned; this should be seriously assessed by the institution.

[Koberg] General, for the past few years, some sectors and some labor groups have accused the Armed Forces of carrying out campaigns of repression, torturing detainees, and causing people to disappear. Moreover, the Christian Democratic Party has filed charges and asked Colonel [Roberto Mauricio] Staben to investigate some accusations. What has the Armed Forces done, because such charges and accusations have continued and have been reiterated over the years. This year has been no exception.

[Larios] I believe that some situations have escaped the control of the higher authorities. There have been abuses of authority; we must, in all honesty, acknowledge this. There have been abuses of authority. These abuses, perhaps as a result of the country's current situation, have at times led to improprieties, disorder, and illegality. In this regard, we, as an army, have tried and have made serious and significant efforts to try to regulate the conduct of authority when facing the various problems that arise in a society. Usually, or rather naturally, when

you talk about groups and labor unions, you should remember and should not ignore that the FMLN overall action plan considers all these fronts and groups to be elements to strengthen its position within society. The FMLN uses these groups to handle some situations. Any accusations and any charges pointing out or questioning the operation or the performance of the Army benefits the FMLN. All these accusations, whether justified or not, have a very clear objective—to compromise the institution, to cause difficulties, and to discredit it.

We are aware that such actions are a violation of the dignity of humankind. We are aware that such attitudes of the past must be completely banned and eliminated. This means a change of conduct in the institution. This change of conduct should start at the highest levels and reach to the lowest levels so that they—in the long run, the executives in higher positions—can have sufficient capacity, sufficient intelligence, and sufficient training to be able to handle these problems adequately.

Therefore, the effort we have made and are making, and which we are committed to fulfill as a serious, responsible institution, is truly significant. In that sense, I want to tell you that we are engaged in a serious, carefully designed campaign to eradicate all such abuses, attitudes, and behavior that obviously have harmed our society and have affected the image of our institution.

[Koberg] Regarding the case of the Jesuits, we have had on this program persons who have commented on this case. Specifically, when we discussed the administration of justice, our guests referred to this case as a clear example of the Armed Forces' raising obstacles to the application of justice.

[Larios] Yes, regarding what you have said, naturally, sometimes, any incident, any fact, any situation is used by certain sectors, persons, or groups of persons to systematically question, one way or another, the work and effort carried out by the government and its organizations. In this case, regarding the effort by the Armed Forces, as an institution, I would say the contrary. I would say that this is really an example of the change in our way of thinking, of the attitude of the institute, which is being modified. We are making genuine and specific efforts that are evident to all the Salvadoran people. We remain consistent with the positions we have publicly adopted. We are willing to correct errors that have occurred in society and in the Armed Forces as an institution. In this case, perhaps, it is better to recognize the effort that has been made, the position adopted by the Armed Forces High Command, which is consistent with the position adopted by the government through the president. I think that this case should be perhaps considered, in my opinion, an exemplary case in which the Armed Forces—as an institution—has strived and pledged to use its professionalism and responsibility in a situation that definitely deserves everyone's care and attention."

[Rivas] General, allow me to return to this very same question. What is all that about the registry books being burned, fraudulent personnel rendering testimony, and all those situations that, logically in a case that has acquired such connotations at an international level and that involved the Armed Forces, as an institution, have complicated the situation. It raises doubts as to the Armed Forces' political will to resolve the case.

[Larios] Naturally, what you say is true. Undoubtedly, this situation should not have occurred. Not at all. Unfortunately, on many occasions and under certain circumstances, as in this case, some members of the institution get involved in situations of this nature. Naturally, this is contrary to the position and policy of the Armed Forces High Command. It contravenes the institutions's willingness to correct such situations, and of course, it contravenes our government's political willingness, through our president, to conduct the necessary efforts, no matter what it takes, to correct such situations and punish and investigate those cases. Obviously, this creates doubt, and it generates a lack of credibility. That is what we are up against, because as a result of this type of situation, doubts have been raised and led to the questioning of the Armed Forces as an institution. That is why some measures were taken. Consequently, only the defense minister will be strictly responsible for handling the Jesuit case. After unfortunate errors created confusion and raised doubts among the Salvadoran people and society, and later among persons or groups, corrective measures were taken. Naturally, they were corrective measures. Unfortunately, confusion was created. However, the necessary corrections were made to direct the investigation process along the correct path.

[Rivas] Mr. Minister, would you agree with the opinion of a leftist leader and U.S. diplomat, who said that at this moment the Armed Forces are in a period of transition? That politician also said that at this moment the Armed Forces was experiencing one of its most intense periods of internal reshuffling, following the crisis of General Ochoa and General Garcia. Do you think that the Armed Forces, as an institution, are experiencing a transition period?

[Larios] I believe that the Armed Forces are really in a stage of evolution. I think that at this moment there is an awareness of change. There is an awareness of readjustment, there is a stage of reshuffling and readapting within the institution. Naturally, the conditions that exist in the country at this time are quite different. They are quite different from the situation that existed in the country in 1979, for instance. That is only to give you a date. In that sense, we believe that as an institution, we must make adjustments and correct a lot of things that naturally and obviously have not functioned correctly. I think this is a historic moment for the Armed Forces to introduce changes and to make adjustments that are necessary within the institution. Such changes are necessary in all organizations, I might add. As an institution, we are no exception.

We are willing to recognize that we need to modify many attitudes. We must readjust our behavior. We must

change our behaviour. We must redefine our functions, as an institution at the service of society and the Salvadoran people, as an Armed Forces, as an institution that is eminently professional, and as an institution that must recognize its position within the social context in order to respond better to the needs of the Salvadoran state.

[Koberg] In the past few months several communiques signed only by young officers have been received. What is happening with the officers in those communiques, regardless of whether they were issued by the officers. Do they support positions voiced by the FMLN, where some situations within the Armed Forces have been denounced? First of all, do you agree that they were issued by the officers? Second, what is the situation within the Armed Forces?

[Larios] I want to tell you that definitely...[changes thought] remind you that there is a campaign. There is a well-orchestrated campaign at national and international levels, and it is intended to cause destabilization, chaos, confusion, doubts, and uncertainty within the Armed Forces. This is undoubtedly part of the strategy and the maneuvers carried out by the FMLN to infiltrate those distorting elements within the institution. We must remain alert here. We must not permit, under any circumstances, these attitudes, this conduct on the part of the FMLN, which cannot stem from elsewhere, because it is aimed in that direction. As as institution, we represent the people. As an institution we owe ourselves to the people. As an institution, we defend, even at the cost of a maximum sacrifice, that confidence placed in us by the people as a legitimate force.

In that sense I want to tell you that those purposes, those tendencies, and those instruments used as part of the strategic manuever to disrupt and break the scheme of institutional unity are to no avail. The truth is that the purpose is to introduce that element of distortion within the Armed Forces; obviously, they understand very well that by distorting and disrupting the institution, they stand to gain in their revolutionary process. In reality, once the Armed Forces as an institution is eliminated, it will be very easy for them to attain political power and to achieve their aim. We must be alert to counter that.

I want to tell you that today, more than ever, the Armed Forces, as an institution, are responding to the challenge that we face, to the challenge faced by the Salvadoran people. In reality, the Armed Forces are the state instrument to reject any aggression on the part of the FMLN. Logically, by rejecting the FMLN, the Armed Forces are defending the legitimate aspiration and desire of the people to live in peace, liberty, and democracy. Therefore, I frankly, sincerely, and very definitely want to tell you that today, more than ever, the Armed Forces are consolidated, united in the face of a reality—a phenomenon. Our principal responsibility, as an Armed Forces, is to repel and contain the FMLN, to generate the space that will permit the people to find the path, and a destiny of peace of liberty and democracy.

[Koberg] Another point that has been mentioned in the dialogue is the impunity of the Armed Forces. To correct this, punitive measures are necessary. Would you accept retroactive punitive measures—in other words, the judgment of past actions, or would you only accept punishment for actions from now on?

[Larios] A lot has been said on this subject. I believe that we are definitely against impunity. There should be no impunity in our country. No one should enjoy impunity. Nobody is exempted from fully complying with the laws in our country. We are all Salvadoran citizens. I am a professional soldier, but I am also a Salvadoran citizen. In that regard, we identify with that social demand, with that moral requirement of the Salvadoran people and society in the sense that there should be no impunity under any circumstances. We emphatically and firmly affirm that this situation of impunity should not exist toward any sector, group, or person in our country.

Naturally, there are attempts to manipulate and exploit this matter. We must not underestimate, ignore, or forget that this subject was brought up by the FMLN within the dialogue process. In that regard, I would like to ask: Who enjoys more impunity, the terrorists who have carried out terrorism during the past 10 years, or we, as an armed institution, who have served our people's interests? We, as Armed Forces, who have defended our people, who have generated opportunities and real possibilities, permitting the various sectors to seek solutions for our country's problems through consensus and through a positive and honest participation? I ask: Who is right? Who has more impunity, the Armed Forces as an institution at the service of society, as an institution that has sacrificed during the past 10 years human resources that are very important for our country, or the FMLN, which has conducted terrorist actions for the past 10 years?

The problem is not analyzing or questioning what has happened until now, but to stress that from now on we are willing, in a frank, professional, and honest way—after recognizing that this has occurred in way one or another—to correct this situation, to make great efforts, whatever efforts are necessary, to eradicate once and for all this phenomenon that has blemished the Salvadoran society, without asking whether or not we must punish specific cases.

I believe that the courts and the Judicial Branch are responsible for imparting justice for the entire society, regardless of who the person involved is.

[Rivas] You said a few minutes ago that you are willing to change, to modify your conduct, and to amend errors. I would like to ask you if that modification could only take place through self-purging, or if you would accept guidelines resulting from the dialogue process.

[Larios] Naturally, when we say that there is a willingness to change, to make adjustments within the institution, we are speaking from a purely professional and institutional standpoint. Under no circumstances can we

manipulate this matter or accept manipulation through statements from someone, in this case by the FMLN. We will not accept that. We believe that there must be a willingness, a real willingness, and that there should be honesty, frankness, and sincerity to discuss this matter.

We are willing as an institution and as professional soldiers to accept any necessary adjustments, no matter how big or deep the changes may be, as long as it is handled from a strictly professional and institutional standpoint. This subject should not be exploited or manipulated for other purposes or to attain ulterior goals.

[Rivas] I would like to discuss this matter further, although we are running out of time. For example, an agreement was reached regarding the purging of the Armed Forces, which was signed by the Dialogue Commission representing the government of the republic, the Armed Forces, and the Salvadoran society. It was signed by representatives from those sectors and by the FMLN. What position will you take, as you have said that you will not accept it if it is against your interests. If an agreement is signed by the commission that represents the government of the republic, will you accept it even if it is not in the terms you would like?

[Larios] At this moment the government has a serious political will. Our government's will, intentions, and purpose are very clear. They are really signs of total credibility. We are totally and absolutely committed to the dialogue process.

We believe definitely that very serious positions are being handled within that process and within those commissions—momentous positions that will have repercussions for the Salvadoran society. In that regard we are confident of the efforts conducted by our president to present those positions inside the dialogue process. As an institution, we are willing to accept the agreements that may result within those dialogue commissions.

[Koberg] General, I have one last question. It is unrelated to the dialogue process we have been referring to throughout this interview.

This is a concern about which one hears quite often among ordinary people, among the Salvadoran people. Minor crimes are committed in our society but when the culprit has a relative in the military he or she takes advantage of this relationship to avoid punishment and to prevent justice from being served. Many of our citizens are victims of this abuse, and this happens mostly in relation to traffic accidents and home rental issues, just to cite some examples. What can people who have no political or economic influence do to get redress in such cases?

[Larios] Yes. I think this is a totally negative practice. If it really exists, the Armed Forces personnel must display a very serious attitude and reject this kind of situation out of professional conscientiousness. It is regrettable that this should happen in our society. We need to make improvements and change or modify our structures. This basically means changing the way we think or feel. Perhaps what we need is more education in this regard. Naturally, we are against these practices.

When we detect such situations, we punish them severely; we punish the person committing the violation according to the situation. As an institution, we reject and oppose such situations and practices. Naturally, it is not easy to handle, control, and manage these situations seriously. Nonetheless, there is a willingness to do so. Those are our purposes and wishes. In other words, it is very difficult to control these types of problems that might take place in society.

We admit that this should not happen, that it should be rejected and forbidden. Under no circumstances can we take it upon ourselves to take over and make our authority prevail. That is definitely contrary to our wishes, and this impunity should disappear and be eliminated as a practice in society.

[Koberg] What can a person who is in such a situation do? Who can he approach? For example, if I have an automobile accident and I go to the traffic department, it turns out that the person responsible for the traffic violation has a friend there, and that is as far as the issue goes. What can a person do to report such actions?

[Larios] I believe there are other national organizations that one could consult. However, these situations frequently do come up. I have received letters from people who have been offended by the authorities. What we do is order an investigation immediately and adopt the pertinent response.

I believe that if a person feels that he has been offended by the authorities, there are many other resources available so that he can demand justice.

[Rivas] However, as you undoubtedly know, a situation becomes very difficult in this country when the military is involved, and it becomes very unlikely that the other party will receive a fair deal.

[Larios] Not necessarily so. Actually, when I have had to handle the situations of very humble people—particularly in automobile accidents, where apparently certain people have prevailed—I take the pertinent measures and I order that justice prevail in such a situation.

Perhaps this is an invitation so that all citizens who feel offended by the authorities will know that they have the right to demand and we have the obligation of handling such situations.

[Rivas] Now, the day this actually becomes a reality it will be difficult if this happens 100 percent of the time. If it occurs, a significant percentage of the time, this country will have taken steps for a true democracy.

I think Lorena's question is very important, because right now so many people are watching us. Some might well remember a certain case or a certain problem they

once had, some sort of a regrettable situation. Let us hope this will be the case. So, General, we will leave you with that thought.

I have one last question concerning the threat of an offensive that has been mentioned by various sectors. How do the Armed Forces feel about this? Are you expecting this? Are you on the defensive, or do you simply think that this is only a rumor or a form of pressure?

On the other hand, are you taking some sort of a preventive action? Are you prepared so that this does not happen and you will not be taken by surprise, like the last time?

[Larios] Yes, we definitely think that talking about launching an offensive is inconsistent at a time when we are determined as an institution, people, and society to carry out a dialogue process that will eliminate the possibility of violence. This is not possible. How is it possible to understand, accept and evaluate a dialogue position when we are trying to find workable, civilized, and rational solutions to the violence problem, while the FMLN announces a military offensive. This is a very serious and grave contradiction. I think this is a show of disrespect for the Salvadoran people and society as a whole.

How can we accept these measures of psychological pressure? How can we consider that the FMLN is truly and consistently trying to define their position for the solution of the armed conflict, when they are considering the real possibility of launching a military offensive? I think that this contradicts the spirit of the dialogue process. This position is negative and does not respond to the position of our government.

Our government, and I can vouch for this, is acting with honesty, clarity, and patriotism in seeking solutions to the armed problem, not only because this is a responsibility of the government, but because it is a human responsibility to seek a rational and civilized solution to the conflict.

Meanwhile, we, as Armed Forces, have a constitutional obligation. We have a mission to accomplish as a legitimate government institution. We are, as Armed Forces and as an institution, ready and willing to fulfill our constitutional duties. The mission of the Armed Forces is to remain alert and stop any destabilization attempt.

[Rivas] General, we want to thank you for your time this morning to discuss these interesting topics. Thank you very much.

[Larios] Thank you very much.

FMLN's Handal Participates in Government Debate

PA0207153790 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 2 Jul 90

[Text] San Salvador, ACAN - EFE—In a television debate, guerrilla commander Jorge Shafik Handal said the Salvadoran guerrillas will not agree to a cease-fire while real beasts continue to command the Army. Shafik Handal, a member of the general command of the Farabundo Marti National Liberation Front [FMLN], insisted that they will not agree to a cease-fire while real beasts remain in the Army with authority, subordinates, and weapons to continue bringing bloodshed to El Salvador.

The participants in the one hour long Sunday program, Salvadoran Magazine, were: Abelardo Torres, official delegate in the dialogue with the guerrillas; Fidel Chavez Mena, Christian Democratic Party leader; Mario Aguinada Carranza, a leftist politician; and Commander Shafik Handal, who participated in the discussion over the telephone.

Even though the FMLN and the government make efforts to keep their differences secret, the debate revealed their differing positions on such issues as the country's demilitarization and the date when a cease-fire should be implemented.

Shafik Handal said: We have information that new parallel military structures are being established. Major Roberto D'Aubuisson is determined to achieve this. There are plans to frustrate peace, and we have made this known to the government delegation in the dialogue.

D'Aubuisson is deputy and lifelong president of the ruling Nationalist Republican Alliance and he has been linked to extreme right-wing groups that are responsible for political crimes.

Abelardo Torres said: El Salvador is not under military control, although we acknowledge that historically, the Army has exercised functions that do not correspond to it. Therefore, we believe the demilitarization must entail a restructuring of the Armed Forces and not a punitive action against its members.

In the round of negotiations in Mexico, the government and the FMLN delegations discussed for the first time in 10 years the issue of the Armed Forces, especially its purging and the end of impunity for crimes committed by its commanders.

Fidel Chavez Mena said the demilitarization must involve a reduction in the size of the Army, the FMLN's incorporation into political life, the demilitarization of the society, and the definition of the role of the Armed Forces in a peaceful democracy. He added that the main steps to attain peace are demilitarization and the establishment of a democracy that will reform the electoral and judicial systems and lay down the foundations for economic progress with social justice.

Aguinada Carranza, a leftist, said that the demilitarization must result in the elimination of the omnipotent and omnipresent military dictatorship that has been in power since 1932.

FMLN Demands Jamming of Stations End

PA0207212590 Mexico City NOTIMEX in Spanish 2110 GMT 27 Jun 90

[Text] San Salvador, 27 Jun (NOTIMEX)—In a communique issued here today, the Salvadoran guerrillas demanded that the government of President Alfredo Cristiani and the Armed Forces stop jamming the transmissions of their two clandestine radio stations.

According to the rebels, by jamming "Radio Venceremos" and "Radio Farabundo Marti" the government and Army seek to prevent the people from learning about the national situation "without censorship."

The communique stated that "the Arena (Nationalist Republican Alliance) and the Armed Forces are afraid that the people will learn about the military and human rights situation, the economic crisis, and the negotiation process."

The guerrillas said in their document, entitled "The Jamming of Fear," that the right to information and freedom of speech are protected by the political constitution, adding that the government and Army "are constantly violating it in order to continue acting with impunity."

The Farabundo Marti National Liberation Front (FMLN) said that the jamming of its stations "is incoherent because the group was a representative and key interlocutor" at the peace talks that ended recently in Mexico.

On 25 June, the government and FMLN delegations closed a meeting in Oaxtepec without reaching specific agreements, but will meet again in the next few months to further peace efforts.

The guerrillas pointed out that "the fear of the Cristiani government and Armed Forces about the free flow of information is severely hampering the peace process." They also demanded an end to the jamming "as a sign of political goodwill and respect for the Salvadoran people's right to receive information."

The rebels urged "the people's movement and segments of the population that want a true and negotiated political solution and a peace firmly based on justice and freedom" to support their demand.

The FMLN communique was issued as labor groups on 26 June urged the parties involved in the conflict to "break the confidentiality of the negotiations and inform the people about the progress of the process."

FMLN Encourages Struggle for Democracy

PA0207170990 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 1 Jul 90

[Text] The FMLN [Farabundo Marti National Liberation Front] calls on all its combatants; urban forces; support rank and file; medical, logistics, and communications sectors; and intelligence services. We call on all the structures of propaganda, diplomacy, and solidarity to join our efforts at a time when we are committing ourselves to another strategic battle. This is the political battle for democracy; for a pluralistic government with broad participation; for a government that will democratize schools; for a health system for all our people; for land ownership and technical aid for peasants; for freedom of expression, freedom of assembly, and freedom of movement; for a democracy in which priests are never assassinated and the church is never persecuted; and for a democracy without torture and political prisoners.

Combatants of the FMLN: Use all our experience and strength in the offensive for democracy and peace with social justice. Take our vanguard's message to each city, town, and canton. Unite all segments of our community in the task of making our people's aspirations become a reality. We have struggled for those aspirations, and we will not stop struggling until they are met.

Our goal is democracy without hunger and repression. Freedom for El Salvador!

Salvadoran Bishop on Prospects for Peace

PA2706181990 Managua Radio Sandino in Spanish 1200 GMT 27 Jun 90

[Text] Salvadoran Bishop Gregorio Rosa Chavez yesterday said that the demand for peace from all Salvadoran sectors shows that a negotiated solution ofr the armed conflict is an irreversible process.

However, the Salvadoran prelate said that the problems yet to be solved in the quest for peace are very difficult, particularly those in the military sphere. Therefore, he added, it is unrealistic to think that the war will end soon. Rosa Chavez blamed both the government and the guerrillas for human rights violations, a situation, he noted, that is a result of the war; for this reason, violence must end as soon as possible.

Rosa Chavez is participating in a meeting of Catholic leaders from Mexico, Central America, and Panama who are analyzing, in Managua, the role of the church in the media.

Court Magistrate Said Unharmed After Attack

PA3006181990 San Salvador Canal Doce Television in Spanish 0302 GMT 30 Jun 90

[Text] The Assembly Inter-Partisan Commission today requested that the authorities investigate an attack perpetrated a few days ago against Dr. Julio Cesar Urbina, second magistrate of the Court of Claims. According to the report, Urbina was attacked by paramilitary members in the town of Rosario de Mora. The attack took place on Sunday 16 June [as heard] at 0700 in front of the Rosario de Mora Municipal Building. Reportedly, a civilian defense group fired with no justification at the vehicle in which Dr. Urbina was traveling. He is a member of the National Conciliation Party (PCN).

[Begin Urbina recording] It is necessary to show a desire to investigate this attack, not just because I was attacked, but also for the benefit of the Armed Forces because these civilian defense groups that do not defend, but instead take action against civilians cause great harm to the Armed Forces and the citizens. [end recording]

Dr. Julio Cesar Urbina is the second magistrate of the Court of Claims and as a member of the PCN is a member of the subcommission on Human Rights and Democratic Liberties. The PDC [Christian Democratic Party], the MNR [National Revolutionary Movement], the MPSC [Social Christian People's Movement], the PSC [Social Democratic Party], and the UDN [Nationalist Democratic Union] have expressed solidarity with Urbina and demanded a thorough investigation so that those responsible for this action will stand trial.

[Begin unidentified speaker recording] We want to point out that Dr. Urbina has tried to clarify this situation with the military authorities and up to now, all we have is contradictory reports on this incident. Everything seems to indicate that this will be another crime that goes unpunished. [end recording]

It is expected that the Prosecutor General, to whom the commission has sent a formal petition, to make utmost effort to resolve this case, will respond to this accusation within the next few days.

Guatemala

Defense Minister, Cerezo Mark Army Day

PA0207191790 Panama City ACAN in Spanish 2052 GMT 30 Jun 90

[Text] Guatemala City, 30 Jun (ACAN - EFE)—Guatemalan Defense Minister General Juan Leonel Bolanos said today that the Guatemalan guerrillas have been "diminished and weakened" by the lack of international aid.

In his speech at the commemoration of the 119th anniversary of Army Day, Bolanos, who today was promoted to division general, said the Army has worked with the government in the political transition since 1986.

The military chief said that in the 1970's, the guerrilla groups operated in regions of northwestern Guatemala and forced more than 60,000 peasants to take refuge in other countries.

However, he added, the Army has and will continue to maintain its struggle against the rebel groups that have "diminished and weakened and which lack international support."

Bolanos said the guerrillas "urgently need the dialogue they are holding with the country's social sectors. It gives them the opportunity to survive through local politics."

"The international assistance that permits criminal terrorists to live like magnates abroad is running out," Bolanos added.

According to Bolanos, the objective of the dialogue that the insurgents have begun with political, economic, and social sectors is to promote a dialogue with the government. However, he warned that such a dialogue must be "without weapons."

The military chief said the Army will guarantee respect for human rights.

Vinicio Cerezo, Guatemalan president and commander in chief of the Army, attended the commemoration of Army Day and thanked the Army for its support, because it "has permitted" the establishment of democracy in Guatemala.

Cerezo urged the military men to strengthen the democratic process, which began when he took office in January 1986.

"The Army has made reconciliation possible. Now that a peace process has begun, economic democracy must also be established, the president said, adding that the country's stability would not have been possible without the Army.

Nicaragua

Further Reportage on Nationwide Strike

Government Communique on Threat

PA0207143690 Managua Domestic Service in Spanish 1305 GMT 2 Jul 90

[Communique issued by the Government Ministry in Managua on 1 July]

[Text] In view of the strike threats by some sectors, the Government Ministry hereby addresses the working population and the general public to express the following:

1. No picket lines will be allowed at worksites.
2. Those persons who want to work will be guaranteed free access to the government offices, autonomous entities, and other public offices. Those citizens who wish to carry out transactions at government offices will be guaranteed the same access.
3. Those who want to strike can do so as long as they meet the legal requirements established by the Labor Code.
4. All citizens are forced not to disrupt public order, which will be guaranteed at all times by the National Police.

Managua, 1 July 1990

Government Ministry

Official on Foreign Ministry Strike

PA0207200090 Managua Domestic Service in Spanish 1826 GMT 2 Jul 90

[Interview with Deputy Foreign Minister Ernesto Leal by Noel Vidaurre at the Foreign Ministry in Managua—live]

[Text] As the government workers organization had announced, a strike has begun in the Foreign Ministry. The Foreign Ministry personnel stopped working and announced that they will continue to strike as long as a solution is not found. We have said that the strike has been declared illegal by the Labor Ministry and, therefore, those who do not return to work will have to face the consequences established in the Labor Code. However, the most serious thing is not only that they are on strike but that union members have stolen the circuit breakers and left the entire Ministry without electricity. When we called in the INE [Nicaraguan Institute of Energy] personnel to restore the electricity, we found that the workers had committed this act of vandalism. This is an act of vandalism that must be punished in accordance with the country's laws.

[Reporter] Will the Foreign Ministry officials report this to the Government Ministry?

[Leal] If it is necessary, we will do so. We have already spoken with the officer in command of the patrol protecting this Ministry. I have asked him to fulfill the orders of the Ministry to protect free access to the Ministry by all those people who want to enter or leave. If the workers want to work they should be able to do so. The police should take action against those responsible for taking the circuit breakers.

[Reporter] Will the electric power be reconnected?

[Leal] Well, [words indistinct] the circuit breakers were stolen so they cannot restore the electricity. We are trying to solve this.

[Reporter] How many workers are on strike, and approximately how many are against the strike?

[Leal] I would say that about 30 to 40 percent are for the strike while the rest do not support it. Seventy percent of the Ministry's workers are against the strike. The strike does not permit the other workers to work freely. In the Consulate Directorate, the employees were working as usual until 1100 but then the union members cut off the electricity and began to criticize the Ministry [words indistinct]. They made the others leave at approximately 1200.

[Reporter] How do you view the attitude of these people and what measures have you taken?

[Leal] I think the attitude of the strikers is destructive. It is not in line with the needs of this country. Nicaragua needs to have all its citizens work for economic development. The strikers [words indistinct]. They do not understand that Sandinism was defeated in the 25 February elections and, therefore, Sandinism should maintain a constructive opposition and not a destructive opposition as it is now maintaining. What will we do? We will simply enforce the law. We are going to take measures that the law establishes for these cases of illegal strikes that seek to block the functions of the state.

Sandinist Police Keep Order

PA0207213690 Managua Radio Sandino in Spanish 1939 GMT 2 Jul 90

[Text] Subcommander Carlos Vendana, a Sandinist Police officer, announced during a brief interview on the Radio Informaciones newscast that on express instructions from Government Minister Carlos Hurtado, several government institutions were today to be militarized to prevent the workers from going on strike. Vendana is in charge of guarding employees at the Labor and Construction Ministries and Telcor [Nicaraguan Telecommunications and Postal Services].

[Begin recording] [Reporter] What orders have you received, and at whose request are you here?

[Vendana] We have been instructed to safeguard order, a normal task. Since the assumption is that there will be a strike, we were instructed to allow those who want to work to enter, to not allow the entrance doors to be closed, and to guarantee that public order is maintained. Who issued the orders? [words indistinct] Minister Carlos Hurtado through Commander Diaz.

[Reporter] If labor leaders attempt to enter the Labor Ministry, what will you do?

[Vendana] We cannot prevent their entry because our instructions are to guarantee that the ministries operate normally. The Labor Ministry is there for labor matters, and the labor leaders would certainly come for work-related matters; we cannot prevent that.

[Reporter] At which institutions are you in charge of maintaining public order?

[Vendana] INAA [Nicaraguan Water and Sewage Institute], the Construction and Transportation Ministry, Telcor, and the Labor Ministry.

[Reporter] How many men are under your direction?

[Vendana] Only those necessary. Approximately 30 men and patrol cars.

[Reporter] Would you be willing to repress the workers?

[Vendana] We are here only to safeguard public order.

[Reporter] Thank you. [end recording]

Most Reportedly 'Working Normally'

PA0207185890 Managua Domestic Service in Spanish 1815 GMT 2 Jul 90

[Text] The general strike by government workers that had been called by the National Workers Front did not

have the expected results. Most public offices were working normally this morning.

Interviewed by this station, Subcommander Carlos Vendana, chief of Sandinist Police Substation No. 2, said nothing irregular occurred in any of the government offices that supposedly would go on strike today. Everyone is working and the police are alert to face any disorder, the police chief added.

Radio Nicaragua confirmed the police official's statement in the Labor, Economy, Education, and Foreign Ministries, among others, where activities are normal.

Labor Minister Francisco Rosales was meeting this morning in his office with union leaders. Some workers have said that a general strike would do nothing but harm the working people. That is why the leaders of the government workers' unions should exhaust the civic means to solve any problems.

Gas Stations, Drug Stores Strike

PA0307005090 Managua Radio Corporacion in Spanish 2316 GMT 2 Jul 90

[Report by Carlos Laguna Estrada from Rivas—live]

[Text] Rivas gas stations today have supported the Sandinist strike by closing down without explanation. Thick ropes have been placed around the gas stations as a warning that sales have been suspended, partially paralyzing rural and urban transportation activities.

Likewise, Rivas drugstores have also supported the Sandinist strike by closing down, leaving the people without medicine and unable to complain to any authority—because the Minsa [Ministry of Health] delegate in this department is an FSLN [Sandinist National Liberation Front] activist.

Meanwhile, Rivas market vendors have abstained from selling cooking oil and basic grains. They are waiting for the announcement of new prices to the consumers. The economic situation in Rivas is chaotic and families everywhere are complaining because their salary is not enough to buy an entire month's supply of food.

Labor Leader Comments

PA0207233790 Managua Radio Catolica in Spanish 1130 GMT 2 Jul 90

[Statement by Roberto Moreno, leader of the Central Organization of Trade Union Action and Unity, CAUS, and the Workers Permanent Congress, CPT, in Managua; date not given—recorded]

[Text] The Sandinists are trying to promote another general strike this week. According to the Sandinists, staggered stoppages will begin today to paralyze the country by 4 July. The government issued a communique announcing that it will not allow the strike. The Sandinists are demanding salary increases, but are also trying to weaken the Chamorro government.

We are facing a complex situation because a sector of the Sandinist National Liberation Front [FSLN] is trying to formalize an alliance with a sector of the new government. Meanwhile, another FSLN sector, which advocates a prolonged people's war, wants to openly challenge the new government. Meanwhile, the other important labor group in Nicaragua that is represented by the CPT, which is also demanding salary increases, has not yet supported the strike.

Roberto Moreno, leader of CAUS and the CPT, commented on the difficult situation that Nicaragua is experiencing:

[Moreno] The first thing that we want to say about the strike that the Sandinists are promoting is that the CST [Sandinist Central Organization of Workers] has realized since 25 February that it is in the process of becoming extinct as a labor federation. This group is striving to survive.

However, the CST has not been strong enough since 25 February and 25 April to strongly challenge the government, because the Nicaraguan workers have repudiated it as a labor federation. However, Sandinism was taken the opportunity to challenge the government for several reasons: One is the government's failure to bring order or place things in their proper perspective since 25 April, because it erroneously applied the national reconciliation principle that is only valid when there is patriotism, social justice, and honesty. The government applied it as if national reconciliation were a license to continue destroying and looting.

The government was unable to place things in their proper perspective and weaken those three Sandinist groups because of the so-called Transition Protocol. It pardoned the looting and robbery in factories and work centers and continues to allow it.

When we complain, Sandinists say to us that the Transition Protocol must be respected. To top this, when Dr. Arnoldo Aleman Lacayo denounced all the Sandinist militants who had stolen houses, Presidency Minister Antonio Lacayo himself told Arnoldo Aleman that the Transition Protocol must be respected. He virtually told Arnoldo Aleman not to touch the issue again.

When the Sandinists talked about ruling from below, they knew that they could not do it. They said it like a commander delivering a speech before troops that are demoralized, disbanded, and lacking popular support. However, the government has given the Sandinists the resources they need to challenge it.

We must note that the first action that the Sandinists implemented was not really a strike. Business managers ordered work stoppages and labor union members who sympathize with the military chained and locked doors to hold the workers virtually as prisoners. That first action was met by widespread repudiation from the people.

However, this second strike will most probably not be met by such widespread repudiation; repudiation will probably be weaker, because Sandinist demands are

being made at a time when the cost of living is frightfully increasing, and the ministers are turning their backs on the people. In other words, people are not repudiating the Sandinists' actions as much as before because disconformity, displeasure, and annoyance with this government has increased and because the government is turning a deaf ear to the workers.

This government is ruling with a weak hand. Antonio Lacayo, in an attempt to make matters look better, told the newspaper LA PRENSA that his government is being criticized by the FSLN, UNO [National Opposition Unity], Cosep [Higher Council of Private Enterprise], and the labor unions, to imply that it is doing a good job. The opposite is true. It is doing very badly, a terrible job. Everyone is criticizing it; some sectors are even challenging it. This is actually a sign of weakness on the part of the government.

The government is acting weak and must correct itself. When it deals with issues such as the Sandinists' strikes and work stoppages, the government must be clear. It must not merely say that it condemns the strike. This is why I was surprised by a communique read over the Sistema Nacional de Television stating that the CPT condemns the strike, as if we support all government actions, as if we were there to extinguish all fires, as if we were submissive to the government.

It is true that we condemn the Sandinists' strike because it is politically motivated and against the workers' interests, but not to the extent reported by that station. In fact, that version is an invention, because CAUS has signed no communique. Nevertheless, the facade of our union headquarters was abusively shown on television. That station must rectify this, because a CAUS communique concerning today's Sandinist strike will have to include mention of what I am saying here.

The Nicaraguan workers want the government to make changes. That was the objective of our march yesterday in Masaya. We held this march despite a boycott, because over independent radio stations someone had stated that the march was not going to be held, that it had been suspended. The march was held, although the Sandinists had gathered on 30 June and woke up drunk on 1 July feeling aggressive. They were there at noon on 1 July. However, the workers marched along the Masaya streets despite this, because we must be firm and gather courage to face such situations to ensure that the workers' interests are not adversely affected.

The fact that we condemn a strike does not in any way mean that we are condemning the workers' struggle to overcome hunger and destitution. The workers realize that they will not be represented by the Sandinists, but by the legitimate leaders of the working class, by those who accompanied them during the struggles against Somozism and Sandinism.

The Nicaraguan workers clearly understand that there will be changes and that they will be supported, like the workers of Masaya have supported them. Those workers have struggled and yesterday in Masaya they said that they are determined to continue their struggle until Humberto Ortega leaves the Army; until the black berets disappear; until the state security disappears; until the Sandinist fanatics, who could kill people with their rifles, are disarmed; and until the government has an economic policy.

I want to clarify that CAUS has never said that it wished it had participated in talks between the CST with the government, because that is tantamount to being a participant in double treason. Double treason, first because the Sandinists did not call strikes in the past to defend the worker's interests, but to defend its party and in the hope of returning to power; second, because they went there to mock the workers' interests by negotiating a 25-percent increase in salaries. In the face of the workers' calamitous situation, that is bloody mockery.

CAUS workers do not wish to participate in such negotiations. We want to meet with the government to exchange views and negotiate with the new government, but to find real solutions to the problems experienced by salaried workers and rural laborers, not to put up a smokescreen.

Problems must be resolved, and the government must rectify them. The government is to blame for the strikes that are taking place; it must admit this to prevent more mistakes, confront problems, and meet the people's needs, because the people could drift apart from the government to the extent that the ministers continue to turn a deaf ear to the workers here in Nicaragua.

Students Strike Over Transport

PA0307005290 Mexico City NOTIMEX in Spanish 2338 GMT 2 Jul 90

[Text] Managua, 2 Jul (NOTIMEX)—Nicaragua's Central American University [UCA] could suspend classes within the next hours to demand reinstatement of their mass transit subsidy, the National Union of Nicaraguan Students (UNEN) stated today. Moreover, approximately 50,000 industrial and agricultural workers went on strike today to demand that the government immediately provide funds to enterprises, because if they go bankrupt, over 6,000 workers stand to lose their jobs.

The problem at UCA arose yesterday when the government suspended free rides for students and teachers, a measure that had been in effect since last year to help this sector cope with the grave economic crisis. "We are asking all students, regardless of their ideology, to join the protest against the suspension of the subsidy, because this affects all of us equally," the UNEN communique noted.

UNEN Vice President at UCA Pastora Sandino told NOTIMEX that if the free transportation is not restored "we will support the total suspension of classes and will not go back to our studies until we get it." "We are prepared to do anything so that that hard-earned rights

are restored. Otherwise, we will not let anyone attend classes or teach for the rest of the year."

Bus rides went up 3,000 percent over the past two months, and the price of gasoline rose 600 percent during that same period. In May, the government had to deal with a strike that paralyzed the country for three days and caused losses to the state of over $10 million. "The situation is critical from an economic standpoint—we have devaluations every two or three days, and now we have to pay for transportation, something we cannot do. We would have to abandon our studies," the university leader remarked.

Dreyfus News Conference on Venezuelan Visit

PA0207184090 Managua Domestic Service in Spanish 1521 GMT 2 Jul 90

[News conference by Foreign Minister Enrique Dreyfus with unidentified moderator and foreign and local reporters; at the Augusto Cesar Sandino International Airport in Managua—live]

[Text] [Moderator] Good morning, listeners of Radio Nicaragua. Foreign Minister Enrique Dreyfus arrived in Nicaragua a few minutes ago after visiting Venezuela. Let us listen to Foreign Minister Enrique Dreyfus:

[Dreyfus] Thank you very much. Dear viewers and listeners: We have just returned from a working visit to the Republic of Venezuela following instructions of our President Dona Violeta Barrios de Chamorro. To keep the Nicaraguan people informed regarding the steps taken by the government, we inform you that we went to Venezuela. We met with President Carlos Andres Perez, the foreign minister, the finance minister, the Central Bank minister, the planning and coordination office minister, the energy and mines minister, and the investment fund minister. We held several working meetings to normalize the financial and commercial relations between the Governments of Venezuela and Nicaragua. To achieve this end, we have signed three agreements.

The first agreement concerns the outstanding debt that the Nicaraguan Government owes to Venezuela. To date, this debt amounts to $150 million in interest and capital. This debt will be repaid over a 40-year period, with a seven-year grace period and at a three-percent annual interest rate. The interest payments will be made according to the exporting capacity of Nicaragua.

For all practical purposes, this agreement represents a writing off of the $150 million debt that we have with the Republic of Venezuela.

The second agreement concerns the supply of oil. Through this agreement, the Venezuelan Government granted a 20-percent discount to Nicaragua on oil purchases for the next 12 months. This will save us $20 million over the next 12 months.

The money that will be saved as a result of this discount will be used for energy projects and petroleum substitute projects. These projects will lead us to sources of energy other than petroleum. This second agreement formalizes the donation commitment made by the Venzuelan Government in Rome.

The third agreement is one of cooperation and friendship. In this agreement, Venezuela offers and Nicaragua accepts its cooperation for the next three years. The agreement covers activities in the economic, social, technological, and educational sectors.

In summary, these three agreements signed on the night of 29 June strengthen and reaffirm, in an extraordinary manner, our relations with the Republic of Venzuela, its government, and its people—represented by President Carlos Andres Perez.

With this report, I comply with the promises made by President Violeta Chamorro's government to keep the Nicaraguan people abreast of all the efforts being made by her administration.

[Garcia] My name is Denis Garcia Salinas from the ACAN-EFE news agency. Could you please elaborate on your statement that the $150 million debt will be pardoned and that it will be paid over a 40-year period. Did I hear that right?

[Dreyfus] Yes, I will be glad to elaborate. For all practical purposes, the fact is that the $150 million debt will be paid at the end of a 40-year period; the fact that the interest rate will be three percent—beginning on the seventh year; and the fact that inflation around the world is usually over four percent means that barely any interest will be charged. On the other hand, to pay a debt all at once, instead of gradually, at the end of the 40-year period, would mean that, in 40 years, the value of the $150 million would be equivalent to paying $5 or $6 million today. Therefore, to have agreed to this kind of settlement means that Carlos Andres Perez is practically pardoning the debt.

[Lopez] What were the main accords reached during your recent trip to Venezuela? My name is Miguel Lopez from the national television system.

[Dreyfus] We signed three agreements. One of them deals with the normalization of the debt between Nicaragua and Venezuela and the payment of the $150 million debt which I just mentioned and which will be paid at the end of a 40-year period, with a three-percent interest rate. Since inflation in the world is about four percent, the interest we will be paying will be almost negative. The real value of $150 milion in 40 years, due to the inflation in the world, will be equivalent to $4 to $5 million tomorrow. For practical purposes, it is as if the debt has been pardoned.

The second agreement is on implementing a donation made by Venezuela to Nicaragua. The donation consists of a 20-percent discount on prices in fuel for Nicaragua over the next 12 months. This was the contribution made by Venezuela at the Stockholm II Donors Meeting

held in Rome on 6 and 7 June. Venezuela made this proposal at the meeting. The agreement was officially signed on Friday 29 June. As of today, Monday 2 July, oil purchases are based on this accord.

The third agreement involves cooperation and friendship. It is a basic agreement that states that a relationship of cooperation and friendship is established in light of the friendship and common interests in favor of democracy, human rights, and the many values shared by the Venezuelan and the Nicaraguan governments. The cooperation can be in the economic, social, educational, cultural, or technological fields. Once a basic agreement has been signed, it would be valid for three years and can be automatically renewed by the parties, unless one of them wants to end it. The agreement contains provisions so that if Nicaragua needs technical assistance in oil refineries, the Nicaraguan Foreign Ministry would simply send a letter to the Venezuelan Foreign Ministry. If Venezuela can help, it would respond to our letter saying that the assistance will be provided. It will give information on how, when, and for how long the assistance will be provided. This is a very convenient way to receive any kind of technical assistance. It would not be necessary to sign a lot of documents everytime we need assistance. We would just sign a basic treaty that would be in effect for three years. When any of the various sectors in the government—such as the education, health, housing, or transport sector—or the Army, the Government Ministry, or the Communications Ministry require technical assistance, all they would need to do is submit the request through the Nicaraguan Foreign Ministry. We would convey the request to the Venezuelan Foreign Ministry, which would respond if they could provide the assistance. All this requires is two letters. It is a flexible and modern way to receive technical assistance. This was the last agreement we signed.

[Sanchez] My name is Edwin Sanchez from EL NUEVO DIARIO. I would like to know when we will start receiving oil shipments from Venezuela. Also, is Venezuela going to be the first country to supply oil to Nicaragua?

[Dreyfus] Venezuela will not be the first country. Up to now, we have met half of our oil needs for this year with oil supplied by the Soviet Union. The Soviet Union has been supplying oil to Nicaragua from January to June or July of this year. They supplied oil before the elections and have been doing so since the elections. Venezuela can start supplying oil in August.

[Reporter] Could you tell us exactly how much Nicaragua owes Mexico, because we know that we also have a debt with Mexico. Where does our debt with Mexico stand, and have any efforts been made to negotiate that debt like we have with Venezuela?

[Dreyfus] First we negotiated with Venezuela, and now we have a working plan to begin negotiations in the upcoming months with the Mexican Government. Our debt with Mexico is three or four times larger than our debt with Venezuela. I do not have the exact figure, but it is approximately $800 or $900 million.

[Reporter] Some days ago the media reported a statement attributed to you saying that Nicaragua would be making concessions to Mexico and Venezuela to exploit oil fields that could exist in our country. Is this true?

[Dreyfus] As far as I know, this is not true. In the past, some concessions were given in the Pacific and Atlantic regions for oil exploration. However, for the time being there are no such plans.

[Reporter] Considering the aid that has been obtained, the existing agreements, and the oil supplied by the USSR, what is Nicaragua's current oil situation? Do we have enough oil? For how long will our supply last? Will there be a deficit this year? What is the situation?

[Dreyfus] With the agreement we have just signed with Venezuela, we have secured our oil supply for the current year. We have the resources and the suppliers, and we are confident that Nicaragua will not have any shortage of oil for the next 12 months; that is, for the rest of this year and the following six months.

[Reporter] What countries will supply oil with a 20-percent discount, and how much does this represent in ...

[Dreyfus, interrupting] For the next 12 months the Venezuelans will be giving us—donating, as a matter of fact—$20 million. That was a commitment that they made at a meeting in Rome and which was implemented last Friday [29 June] with the signing of this agreement in Caracas.

We thank you all for your presence.

Strike Causes Ortega To Suspend European Trip

PA0307023690 Managua Radio Sandino in Spanish 0022 GMT 2 Jul 90

[Text] Commander of the Revolution Daniel Ortega Saavedra has suspended his tour of several countries in Europe that had extended invitations to him, and in his stead will send Father Miguel D'Escoto Brockman, the former foreign minister, who will travel with a group of professionals.

The Sandinist leader suspended his trip to West Europe because of the strike decreed by the National Workers' Front, which is making demands of the government headed by Mrs. Violeta Barrios Chamorro.

So far the strike involves approximately 60,000 workers from state institutions and companies, and some private companies have gradually joined them.

Further on Cancellation

AU0307095790 Paris AFP in English 0951 GMT 3 Jul 90

[Excerpt] Helsinki, July 3 (AFP)—Former Nicaraguan president Daniel Ortega has cancelled plans to attend an international peace convention opening here Tuesday blaming the tense internal situation at home, organizers said. Mr. Ortega was billed as the keynote speaker at the European Nuclear Disarmament (END) convention which more than a thousand peace activists from 44 countries are attending. The convention aims to map out a new direction for the peace movement. Its final sessions will be held from Thursday in Tallinn, capital of Estonia.

Among participants are Marju Lauristin, a leading figure in the Estonian Popular Front, Andras Hegedus, a former Hungarian premier, and Miguel Angel Escoto, former Nicaraguan foreign minister. [passage omitted]

Daniel Ortega on FMLN Congress Preparations

PA2906201590 Managua Radio Sandino in Spanish 1930 GMT 28 Jun 90

[Text] The former Nicaraguan president, Commander Daniel Ortega, reported today that the Sandinist National Liberation Front [FSLN] will begin preparations for its first congress as of 19 July. Commander Ortega said that as of now, the FSLN is inviting all members and the public in general to participate in the congress, which will be held 21 through 24 February 1991, and to contribute ideas, suggestions, and criticism.

[Begin Ortega recording] [Sentence indistinct]. This congress will not be restricted to that final phase. The congress will be inaugurated on 21 February and is scheduled to conclude on 24 February 1991. That is the final stage of the congress. Now we are convoking for the congress [words indistinct].

The congress actually begins on 19 July when we convoke and call the people to participate in an open, frank, direct discussion on many topics, particularly on the FSLN program that Nicaragua demands. Various sectors of the Nicaraguan population must contribute to this program. We are inviting all sectors to participate, particularly the Sandinist youth, so that they will contribute with constructive criticism.

Each group has something specific to contribute so that we can discuss all the problems affecting Nicaraguan society. These proposals will then be approved in this process of deepening democracy by the FSLN. [end recording]

Central Bank President Explains Gold Cordoba

PA3006175390 Managua Radio Sandino in Spanish 0000 GMT 29 Jun 90

[Text] Central Bank President Dr. Francisco Mayorga said that the inflation rate for June is between 80 and 90 percent. Dr. Mayorga said, however, that the gold cordoba that will be put into circulation in about five weeks will resolve once and for all the problem of inflation, something that many economists who worked in the previous administration doubt.

[Begin Mayorga recording] We are still making small devaluations. These mini-devaluations will continue to be applied against the current cordoba, but less and less often. The problem is going to be resolved slowly but surely, until we have everything under control. I estimate that in about five weeks the gold cordoba will begin to circulate, which is what will really make possible a strong currency—a strong currency that no longer will continue to be devalued and a currency that will no longer be subject to inflation. The gold cordoba being issued at the end of July will slowly begin to circulate. The current cordoba will continue with less and less devaluation, and inflation will begin to come down slowly. I believe that by August we shall be showing that inflation has in effect been controlled, without price controls, without controls on salaries, without massive dismissals, and slowly we will have a more orderly situation. [end recording]

Obando y Bravo Upholds Suspension of Cardenal

PA3006162890 Managua Radio Sandino in Spanish 0000 GMT 28 Jun 90

[Text] Managua Archbishop Cardinal Miguel Obando y Bravo, today stated that former Education Minister Ernesto Cardenal Martinez and former Foreign Minister Miguel D'Escoto Brockman remain suspended from their priestly duties for the horrible crime of having participated as ministers in the revolutionary government. Cardinal Obando y Bravo recalled that it was Bishop Pablo Antonio Vega who, after consulting with the Vatican, suspended Father Cardenal when he was culture minister. Bishop Vega later abandoned the Juigalpa Dioceses, Rio San Juan, and became the contras' spiritual leader.

Bulgarian Envoy Says Aid Will Be Reduced

PA2906195890 Managua LA PRENSA in Spanish 25 Jun 90 p 2

[Report by Julio Cesar Armas]

[Text] The news conference given by Bulgarian Ambassador Stiliyan Burkhanlarski at the International Press Club has been described as very interesting.

He spoke about the totalitarian and restrictive regime that crushed Bulgarian society for so many years. It was a regime, he said, that led people to protests and to expressing their nonconformity, a nonconformity that resulted in a democratic explosion and in the birth of more than 80 political parties.

He openly noted that his country's aid to Nicaragua in coming years will not be the same as before because Bulgaria needs help to solve its own economic problems.

He mentioned the projects carried out during the previous administration in Nicaragua, highlighting the fruit

plantation and canning industry in the Sebaco valley. However, he remarked, this industry has machinery that is not profitable yet because its technology is very advanced and Nicaraguan technicians are still training in Bulgaria to learn to use it.

In sum, Burkhanlarski said, the Bulgarian aid to the Sandinist government was substantial, but now that the situation has changed in his country, the aid will be reduced. However, he concluded, a study is being conducted with the current government to see which areas have the highest priority in order to help.

Panama

Column Assesses Bush Proposals for Latin America

PA0207210590 Panama City LA PRENSA in Spanish 2 Jul 90 p A-1

["As of Today" column]

[Text] President Bush's proposal on free trade, the reduction of the official debt with the United States, and the creation of a special investment fund to be administered by the IDB requires that Panama reevaluate its economic policies. The "substituting import" system that served for a long time as a guide for the country's economic legislation and the subsequent protectionism failed in the same manner that the self-sufficient illusions of the past. It is necessary to seek new horizons for development, and recent history eloquently shows that growing interdependancy in the fields of science, technology, finance, and culture could be used better and more productively when more restrictions are eliminated. Adopting new courses in economic policy is never an easy task, but that is no reason for not assuming the responsibility of doing this when it is advisable. Once the new objectives have been established clearly, common sense advises adopting the specific measures that will lead to these goals gradually so that the economy will adjust without any traumatic and radical changes. It would be advisable if the government and all of the groups and persons interested in the country's economic activities were to analyze the new possibilities, discuss the pros and cons, and to try to reach a consensus on what is most advisable for the future of Panama.

National Institute Students Stage Demonstration

PA2906153390 Panama City LA ESTRELLA DE PANAMA in Spanish 27 Jun 90 pp A-1, A-2

[Report by Cesar E. Gomez Marin]

[Text] A group of students of the National Institute [IN] belonging to the FER-29 [29 November Revolutionary Student Front] and the National Institute Federated Association (AFIN) yesterday morning staged a demonstration and marched to the Education Ministry where they shouted slogans against the government and the education authorities. They painted slogans on the walls and threw stones at the windows of the Poli Building that houses the Education Ministry and the IRHE [Hydraulic Resources and Electrification Institute].

The demonstrators complained they had already presented a list of demands, but the educational authorities have not done anything. According to the students, they have demanded repair work, educational material, laboratory equipment, furniture, and other needs that have not been met. However, it has been learned that the national director of education, Bertilo Mejia, last week met with the students to discuss their demands and promote some solutions for their school. The deputy minister and the director of student affairs have also met with them on other occasions and listened to their complaints.

It was evident that the majority of the IN students were in their classrooms and that the student body is divided.

So far this year, over 80,000 balboas have been invested in the IN in a joint action involving the Education Ministry, the city mayor's office, civic groups, and others. The school has been given the first disbursements of the Tuition Fund in the amount of several thousand balboas for their internal expenses and materials, Deputy Minister Laurentino Gudino told the press.

"As long as the students engage in studying and respect for others, there will be no need to enforce the internal regulations of the schools," Deputy Minister Gudino said. He added that this school had received a lot of attention even before the school year began when the school needed heavy and costly repairs after being neglected for many years.

Gudino stated that over 60 percent of the school has been repaired, painted, and remodeled. Other needs are being met according to the budget and bearing in mind that other schools also need repairs.

"We are complying with the IN. Therefore, I feel that this movement—with the participation of a minority and not the majority of the IN student body—has political motives. From the point of view of their demands, there is no reason for this movement," Gudino said. He then stressed: "We are not going to allow demonstrations during school hours and violent actions against private citizens, the students, and public or private property."

The deputy minister said that if the students want to go to the Education Ministry, they are welcome to do so as long as they have an appointment, the contents of their demands are known, and they do not go during school hours. He also questioned the parents' responsibility, pointing out that if the student body goes out in the streets, the parents are responsible.

Concerning the current decree—which the student oppose—that prohibits political groups in schools, Deputy Minister Gudino said that there are no plans to prevent the organization of student groups for cultural, athletic, civic, charity, and other affairs. He added that

the ministry does not want to close schools because schools must operate for the benefit of the majority that wants to study. "If some insist on creating problems, on not attending classes, and on disrupting the operations of schools, the internal regulations of each school will have to be applied.

The deputy education minister said that if the students are respectful, well-mannered, and do not cut classes to stage protests, they will be received by high-ranking officials, but the ministry will not accept those students who are rude, throw stones, and are disrespectful.

High School Students Stage Protest

PA2906175590 Panama City Circuito RPC Television in Spanish 2335 GMT 28 Jun 90

[Text] Students from Melchor Lasso de la Vega Arts and Crafts High School have committed acts of vandalism. The protest began with the blockade of Bolivar Avenue, better known as the Transisthmian Highway. The students began throwing rocks at vehicles that were passing through the area. They tried to justify their violent activities by saying that they lack supplies for the different classrooms in the school, but the action turned into violence, robbery, and looting.

As we were trying to cover the event, the students tried to steal the television equipment of our cameraman, Jose Cassis Jr. They were unable to do it after a great struggle, but they were able to beat up our journalists and some of their belongings were stolen. Similar things happened to some of our colleagues, university students, and civilians. The students could not care less about the person's sex or age.

Later the students reached part of Via Espana and Central Avenue where they vandalized several stores.

Among the identified students were: Hector Fruto, Daniel Villarreal, Gustavo Guevara, and Jose Luis Herrera. They all have poor academic records and are known for inciting their fellow students to participate in their group, which may best be described as a mob.

Raymundo Lay, the principal of the arts and crafts high school, said that the students who are found guilty will be punished.

[Begin Lay recording] They insisted on taking to the streets. The protests turned into attacks and vandalism. We will take forceful measures, and the guilty students will be expelled. [end recording]

At first, the Public Force just observed the action. They did not take any action until hours later, when rocks were being thrown at dozens of vehicles, stores were being robbed, and civilians were being beaten and robbed.

The television video shows two of the students who participated in this action. It is clear that they are not serious students but thieves. The situation became increasingly violent and the looting continued. The students robbed pedestrians nearby. The students were throwing rocks, sticks, bottles, and other objects around.

Education Minister Ada de Gordon talked about this action.

[Begin Gordon recording] The students who are found guilty of participating in this action will be suspended for 15 days. Those who are believed to be the leaders and who are over 18 years of age will definitely be expelled from school. Parents will be called and told about the thefts, and charges will be made against many of the students who attacked journalists and who tried to damage their cameras. Parents will be held responsible for their children's actions, and they will have to pay for the damage caused by their children. It is about time families face up to their responsibilities. [end recording]

Twenty-four students were arrested, and they were taken from the San Felipe Police Station to the Metropolitan Police station in Panama Viejo. The appropriate paperwork will be done there with the parents. Those who are not with their parents will be sent to the Juvenile Court.

The behavior of the Arts and Crafts High School creates a climate of chaos and uneasiness in the community.

Argentina

Official Denies U.S. Pressure on Condor Project

PY0207193090 Buenos Aires TELAM in Spanish 2144 GMT 1 Jul 90

[Text] Catamarca, 1 Jul (TELAM)—Defense Under Secretary Julio Dentone has stated that the "Condor 2" project has been suspended "for economic and political reasons, not because of foreign interference."

In remarks to TELAM, Dentone said that only the Argentine Government can make decisions on this project and that "at no time has there been any pressure from the U.S. Government to stop this initiative."

Dentone announced that the first commercial prototype of the "CBA 123" aircraft, which is being manufactured jointly with Brazil, will make its first flight this month. It is believed that more prototypes of this project will be manufactured in two months.

Dentone noted there were some problems concerning payment for this project, but they have been overcome. He added that the military institutions maintain "excellent" relations with the national government and that, although the road ahead is rough, they are following a clear course with a great spirit of sacrifice."

Cavallo Returns From United States, Europe

PY0307002790 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0012 GMT 3 Jul 90

[Excerpts] Buenos Aires, 2 Jul (NA) — Foreign Minister Domingo Cavallo has highlighted the role that must be played by Argentina and Brazil in the creation of the Latin American Common Market and he ratified the importance of implementing a policy of free trade in the region "to create a good climate for investment." [passage omitted]

At the Ezeiza International Airport after arriving from the United States and Europe, Cavallo clarified the proposal of U.S. President George Bush regarding the creation of a free trade zone in South America. [passage omitted]

Minister Announces New Economic Measures

PY0207194390 Buenos Aires TELAM in Spanish 0210 GMT 30 Jun 90

[Text] La Rioja, 30 Jun (TELAM)—Economy Minister Antonio Erman Gonzalez tonight announced a set of measures to complement the government's economic program. He announced them during a message to the nation from the White Hall of the La Rioja Province government house.

Minister Gonzalez was accompanied by the economy ministers of 17 provinces and La Rioja acting governor Agustin de la Vega when he delivered his message to about 30 national and provincial newspaper journalists. Although President Carlos Menem, Vice President Eduardo Duhalde, Deputy Jose Luis Manzano, and other national authorities came with Minister Gonzalez from Buenos Aires, they did not attend the ceremony at which the minister delivered his message. Instead they went to the official residence where Menem was lodged.

The questions asked by the provincial journalists reveal the concern of provincial economic circles over the future of the Industrial Promotion Law that would affect the provinces of La Rioja, Catamarca, San Juan, and San Luis, while the questions asked by national media journalists reveal concern over state enterprises and the fiscal deficit.

After Minister Gonzalez delivered his message from 1930 to 2005, he answered 12 questions from different news representatives until 2025. Government Press Director Adalberto Diaz Garcia then ended the news conference.

Asked about the government's position regarding industrial promotion legislation, such as Law 22021, Minister Gonzalez said that the government was studying alternatives such as a "cost compensation scheme based on factors including freight, labor, and basic materials, factors that can be decisive in choosing the location of a plant, either in a province or in a place where the infrastructure would make operations more economical or where raw materials or outlets are closer."

"The industrial promotion legislation has not been totally discarded. We are now evaluating those projects that have been successful. This evaluation has identified two clear points: One is that the suspension established in the Emergency Law will not continue. This means that the executive branch will not ask Congress to continue the suspension of the industrial promotion law that was established by the Economy Emergency Law."

"The other point calls for a further analysis to see whether Decree 435, regarding VAT [Value Added Tax] on purchases [the order to index this tax has been suspended for six months] will be maintained. This will be determined once the evaluation has been completed and the new fiscal cost of maintaining that promotion is assessed."

Gonzalez then added: "At that point, the various alternatives I have mentioned will come into play. We will then see whether salary costs, electricity consumption, or freight rates will be the best way to recover regional economies."

Asked whether the government intends to readjust the incomes of public enterprises, Gonzalez said: "If we speak of reducing expenditure, of reducing purchases from $300 million per quarter, it is obvious that we can charge rates consistent with a more rational operational cost. Nevertheless, we have to recognize that the inflationary process has not been completely halted and we may need to make some readjustments, but these will certainly be nothing like those major readjustments we can recall."

Asked about the deadline that the provinces have for submitting reports for the assessment, he said that "we have perhaps until 31 July."

Minister Gonzalez rejected the suggestion that the measures announced will affect the quality of services provided by public enterprises, and said that "the decline in quality of services has been going on for years," and attributed the situation to "budgetary shrinkage on the investment side, not on the expenditure side."

He added: "Our effort at streamlining the operation of public enterprises is focused on inefficient, superfluous expenditures that can be pared," adding that "we are trying to manage those enterprises in a rational way, and this means recovering the quality of services in those places where they have most deteriorated and doing so as those enterprises recover their incomes."

Minister Gonzalez then emphasized that the modifications to be introduced in industrial promotion "will try not to violate acquired rights, or at least to revoke the suspensions established by the Economic Emergency Law and Decree 435."

Asked about the penalties for enterprises that violate the industrial promotion legislation, Minister Gonzalez said: "Penalties are nothing new; the law and its regulatory decrees establishing the industrial promotion and penalties for violations is being applied."

Among the penalties, Minister Gonzalez recalled are "the loss of benefits, fines, and stronger sanctions for those who have unduly abused promotion benefits and promotion funds."

The economy minister also affirmed: "We will propose that in the second semester of this year the state enterprises should work with a cash and a general budget" which means "promoting a zero base budget based on attainable objectives."

Those who do not comply with the proposed goals "will be permanently sidelined," said Minister Gonzalez, who also announced "rewards for those who fulfill the proposed goals," represented by "increased profits or public recognition, which I believe to be most important."

Soviet Economist Comments on Trade Prospects

PY0207202290 Buenos Aires DYN in Spanish 1535 GMT 1 Jul 90

[Text] San Miguel de Tucuman, 1 Jul (DYN)—Soviet economist Anatoliy Zhelezniak [name as received] has stated that Argentina "is a country with great potential because it has adequate reserves to resolve any problem."

He admitted that since he arrived in Argentina "two months ago, I have been impressed with what I have seen in this country because I noticed that there are several Argentinas."

Zhelezniak, a member of the Latin American Institute of the Soviet Academy of Sciences, has studied aspects and prospects of the Argentine economy and its possible connection with the Soviet Union, under the new conditions of perestroyka.

In remarks to the local newspaper LA GACETA, Zhelezniak said that although "having everything it needs to resolve its problems, Argentina must introduce some reforms to improve its management and administration."

In a historical review of the Argentine economy, Zhelezniak said: "For many years, the Argentine people have enjoyed a rather comfortable situation, especially during the 1940's and the 1950's. After that, it became difficult to follow the same trend because the country lacked a technical and scientific revolution."

Zhelezniak said: "In recent years, the Argentine economy has acquired a speculative nature stemming from the idea that one could make a lot of money without producing much. In my opinion, this idea—along with the budget and public deficits—is one of the main causes of the current inflationary process."

Zhelezniak said: "Argentina has been, and continues to be, one of our main Latin American trade partners. We can broaden the scope of our trade."

Commenting on the possible continuity of the bilateral trade agreement, Zhelezniak said: "The agro-industrial sector should be immediately explored, because the Soviet Union has a quite advanced technology and Argentina has a surplus production in this area."

USSR Reported Main Trade Partner Since 1980

PY0307005590 Buenos Aires DYN in Spanish 2249 GMT 1 Jul 90

[All figures as received]

[Text] Buenos Aires, 1 Jul (DYN)—The Argentine-Soviet Chamber of Commerce has reported here that the Soviet Union has been the main importer of Argentine products for the past 10 years, despite the fact that bilateral trade between the two countries experienced a strong decline in 1989.

According to reports released by the Argentine-Soviet Chamber of Commerce, the most important year for the sale of Argentine products to the [words indistinct] is based on the lack of sales of Soviet products to Argentina.

Speaking at the inauguration here of the seminar on bilateral trade, Juan Carlos Pecoroff, the chairman of the chamber, stated that "with such imbalanced trade (exports during some periods have been almost eight times higher than imports) it will be very difficult to reverse that trend." He also said that in 1988, a few months after the official visit by former President Raul Alfonsin to the Soviet Union, the first visit ever made by an Argentine president, Soviet interest in Argentine

products increased considerably, based on a fair of Argentine products organized in Moscow.

Pecoroff said that the fair was "the turning point of bilateral relations during this decade, considering that it was the first Argentine fair in the Soviet Union."

Pecoroff added that the lack of an Argentine policy to import Soviet products is to a large extent responsible for the stagnation of bilateral trade, although the military regime, [words indistinct] because the trade relationship between the two countries over the past few years has been very weak.

In 1976, Argentina sold to the Soviet Union goods worth $219.118 million and purchased goods worth $12.784 million, which left a surplus of $206.334 million.

From then to 1989, Argentina obtained a surplus in its bilateral trade with the USSR totalling $13,517,605,000, a very important figure in this type of trade. This has led the Moscow authorities to request—and sometimes to demand by threatening to limit purchases—that industrial products needed in Argentina be purchased from the Soviet Union.

Within this context Argentina purchased from the Soviet Union, among other elements, the turbines that are already generating energy at the Salto Grande Dam, and those that will be installed at the Piedra del Aguila dam, and the boilers and other elements for the Comandante Luis Piedra Buena Thermoelectric Plant, and began to expand the (?Fuerte Dolores) plant, [words indistinct] the technicians in charge of the installations.

Statistics show that 1981 was the year of greatest Argentine sales to the Soviet Union, with a total of $2,963,464,000, while Argentina made its greatest purchases in 1986, for a total of $59.17 million. This shows the current trade imbalance between the two countries. After several years of great trade, in 1989 Argentine sales dropped to $828.809 million, and its purchases to only $23.492 million. That same year, Argentine exports totaled $9,620,773,000 and imports totaled $4,326,419,000, with a surplus of $5,294,354,000. From that total, only 10 percent represents Argentine exports to the Soviet Union, and only 1 percent represents its imports.

It is appropriate to mention that the EEC was the largest purchaser of Argentine products in 1989, with 27 percent of the total, and that Argentina's largest suppliers were countries which were members of the Latin American Integration Association (ALADI), mainly Brazil.

Bolivia

Paz Zamora: 'Minor' Cabinet Changes Upcoming

PY0207183090 Madrid EFE in Spanish 2356 GMT 1 Jul 90

[Text] La Paz, 1 Jul (EFE)—It was reported today that President Jaime Paz Zamora has admitted the need to make changes in his Cabinet as recommended by the Political Council, the country's main decisionmaking organization, which is made up of members of the two ruling parties.

At the end of a meeting with leaders of his party—the Movement of the Revolutionary Left (MIR)—Paz Zamora noted last night that there will be only "minor changes" in his Cabinet.

Paz Zamora thus ruled out the radical reorganization of his government proposed by Hugo Banzer Suarez, president of the Political Council and leader of the Nationalist Democratic Action (ADN), a member of the ruling coalition. Banzer harshly criticized the first 10 months of the Paz Zamora administration, saying there is "growing discontent" as a result of the severe economic recession and unemployment. His criticism is echoed by private and opposition sectors.

Paz Zamora said: "I am proud to say that this is the best ministerial cabinet the country has had in recent years." He added that "if necessary, I will energetically make the required changes" because "it is always possible to make further improvements." Paz Zamora admitted that some adjustments should be made within the public administration to improve efficiency in collecting fiscal revenues because "we must collect more than we spend."

Banzer criticized unsound government spending at a time when the Bolivian people are shouldering the burden of an economic crisis.

Paz Zamora also discussed the role of the private sector, noting that if it does not invest in the country there will be no new jobs or economic reactivation. He added: "Everyone must join in this effort and not just leave it to the government."

The changes in the government structure and in the cabinet will begin next week with a view to revising the government's policy; according to government sources, the country will not achieve its goal of attaining four-percent economic growth in 1990.

MIR Deputy Carlos Dabdoub has stated that a major issue to be discussed at the ADN-MIR meeting scheduled to open 2 July is for "an effort to be made to prevent party and family commitments from interfering with the need to run an effective administration."

Brazil

Police Dismantle Drug Ring in Amazon Region

PY0207213490 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 Jul 90

[Text] Federal Police have dismantled a cocaine-trafficking ring that operated in the Amazon Region. The traffickers used boats and planes to carry the drug along a route discovered at the beginning of June.

It has been learned that the cocaine was taken by plane from Colombia to Amapa State, where the boxes containing the drug were dropped onto the Oiapoque River delta and then picked up by boats that took it to Suriname. From Suriname, the drug was taken to the United States and Europe. During the operation, Federal Police seized two airplanes: One is now in Boa Vista and the other one in Macapa. One of the boats has also been seized. Federal Police personnel have also arrested three pilots: Pedro Ottino de Freitas, Hildefonso Garcia, and Joao Gandelman. Two boat pilots have also been arrested: Oziel Pinheiro da Silva and Roldao Barros Teixeira. Colombian Alvaro Aristizabal Palacios, a member of the Medellin Cartel, has also been arrested, together with the two boat pilots.

In Rondonia, Police are looking for Floriano Nolasco, an airplane pilot, who is also linked to the Medellin Cartel. Nolasco is believed to be the owner of 125 kg of cocaine that were seized in Porto Velho last weekend.

Details Disclosed

PY0207220890 Rio de Janeiro O GLOBO in Portuguese 1 Jul 90 p 7

[Report by Marcia Marques]

[Excerpts] Macapa, AP— When cocaine traffickers who have been operating in the Northern Region failed to show up at a rendezvous to deliver 400 kg of cocaine, Federal Police personnel were able to bust the gang that had been operating along the Colombia-Roraima-Amapa-Suriname route, and to close an investigation they started three months ago.

As of yesterday, police had already arrested seven traffickers, including Colombian Alvaro Aristizabal Palacios, who is the Medellin Cartel's money courier [cobrador]. Police are now looking for Colombian Fernando Arturo Guzman Gonzales, who owns the drugs, and Brazilian Francisco Maciel Lima, from Goiania, who probably owns the plane that carried the drugs.

The operation—taking the 400 kg of cocaine to Suriname and from there to Miami (United States), and to Europe—had been planned in Belem, Para State, where the Colombians coordinated the delivery of the drugs with Alberto Monteiro dos Santos, 42, alias Alberto Porrudo. He was supposed to take a boat to a place known as "Boca," at Cabo Orange, where a plane coming from Colombia would drop the boxes containing the drugs. [passage omitted]

At the Oiapoque River, police arrested Porrudo, Roldao Teixeira, and Oziel Pinheiro. In Boa Vista, police arrested the pilots Hildefonso Garcia, alias Mineirinho, Joao Gandelman, and Colombian Palacios. In Rio de Janeiro, police arrested Pedro Ottino on the night of 29 June.

Pact Signed To Build Roadway on Border Bridge

PY0307035290 Brasilia Domestic Service in Portuguese 2200 GMT 2 Jul 90

[Text] In a ceremony held this morning, Infrastructure Minister Ozires Silva signed an agreement to build rail and road access to the bridge on the Uruguay river which will link Brazil and Argentina. Present at the ceremony were Rio Grande do Sul Governor Sinval Guazelli, Sao Borjes Mayor Jose Pereira Alvarez, and National Transportation Secretary Marcelo Ribeiro.

This agreement establishes that an international bid will award a private enterprise the right to build 14 km of access road to the bridge linking Sao Borja, Brazil, and Santo Tome, Argentina.

Ozires Silva said that [word indistinct] drafted by the Argentine-Brazilian joint commission [not further identified] will be issued on 6 July by Brazilian President Fernando Collor and Argentine President Carlos Menem.

Revenue Service Issues Tax-Withholding Rules

PY0207210890 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 Jul 90

[Text] Less tax will be withheld from workers' salaries as of this month. Those who have liquid monthly salaries up to 24,440.77 cruzeiros will have no income tax withheld by their employers, according to instructions issued by Federal Revenue Secretary Romeu Tuma.

Liquid monthly salaries up to 91,591 cruzeiros will pay a 10-percent income tax, minus 2,747 cruzeiros. People making more than 91,591 cruzeiros per month will pay a 25-percent income tax, minus 16,486 cruzeiros.

National Treasury Registers Surplus in June

PY0307032290 Brasilia Domestic Service in Portuguese 2200 GMT 2 Jul 90

[Report by Cristina Indio]

[Text] In June the National Treasury registered a surplus totaling 305 billion cruzeiros. This is part of the first government tax collection made almost totally in cruzeiros. The national finance secretary has said this proves that previous surpluses were not achieved merely because taxes were paid in new cruzados.

He added that in June the National Treasury also paid 171 billion cruzeiros of the public debt, and that until December the government expects to make monthly payments totaling between 60 and 70 billion cruzeiros.

With the June surplus, the National Treasury's account at the Central Bank totals 1.41 trillion cruzeiros.

The national finance secretary said this amount shows that the government is in a condition to return the new cruzados that were retained by the Central Bank when the current economic plan was implemented. He added that this does not mean the government is planning to

return this money before the 18-month deadline that was established by the current economic stability plan.

Swiss Minister To Discuss Economic Ties

PY0207210490 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 Jul 90

[Text] Switzerland's Public Economy Minister Jean Pascal Delamuraz will arrive in Brasilia today, heading a delegation of high-ranking officials and businessmen from that country.

He will meet with President Fernando Collor, the ministers of the economic area, and businessmen from Rio de Janeiro and Sao Paulo. This visit is meant to strengthen commercial ties between Brazil and Switzerland, to discuss the final round of the General Agreement on Trade and Tariffs, GATT, to be held in Uruguay, and to define the strategy to negotiate the foreign debt.

Colombia

Minister Asks ELN, FARC To Join Peace Move

PA0207212390 Bogota Radio Cadena Nacional in Spanish 1200 GMT 2 Jul 90

[Text] On 1 July, Government Minister Horacio Serpa Uribe invited the Army of National Liberation, ELN, and the Revolutionary Armed Forces of Colombia, FARC, to join in peace efforts. He advised, however, that they must change their attitudes and show that they are willing to accept the national government's peace plans.

Likewise, the minister said that the peasants' self-defense groups should also join the peace efforts so that they can be exempted from punishment for the illegal possesion of firearms and for creating illegal movements. However, he reiterated that the invitation does not cover the hired gunmen who have committed crimes and participated in slaughter organized by narcotic traffickers, according to the documents the government has in hand.

[Paris AFP in Spanish at 0100 GMT on 3 July in its report on the invitation to the FARC and ELN adds: "He said that the state's security agencies know the difference between 'paramilitary and self-defense. The former are exclusively dedicated to criminal actions. The latter are good peasants who, at a given moment, found it necessary to arm themselves for their own defense, but not to attack.'"

["Talking about the invitation to the FARC and the ELN so that they would accept peace like the M-19 [19 April Movement], which turned in its weapons and joined civil life as a political party, did in March, Serpa emphasized that the parties involved are similarly inclined."]

On the other hand, he said the new measure issued by the government, ordering all heads of family to report to the police the names of all members of their households, does not seek to violate anybody's rights but rather to restore public peace in certain areas.

Minister 'Accidentally' Shot by Bodyguard

PA0307023390 Bogota Inravision Television Cadena 1 in Spanish 0142 GMT 3 Jul 90

[Report by Jose Luis Ramirez in Bogota—live or recorded]

[Text] Government Minister Horacio Serpa Uribe and his wife were wounded this evening in a yet unclear incident at the Catam Air Force Base, where they were about to welcome the president of the Republic. According to preliminary reports, one of the bodyguards' weapons was accidentally discharged.

The minister is currently undergoing surgery at the National Social Security Board. There is no report on his health so far and complete secrecy is being maintained, the police cordon that has been deployed being the visible evidence of this.

The National Social Security Board is currently preparing an official communique on the health of Government Minister Horacio Serpa Uribe and his wife.

Recovering From Bullet Wound

PA0307023590 Mexico City NOTIMEX in Spanish 0141 GMT 3 Jul 90

[Text] Bogota, 2 Jul (NOTIMEX)—Government Minister Horacio Serpa Uribe and his wife were wounded this evening when the weapon of one of their bodyguards was accidentally discharged, it was reported here.

According to the authorities' report, Serpa Uribe was wounded in the leg and his wife was wounded in the arm at Catam Air Force Base upon their return from a meeting with President Virgilio Barco in Cartagena, a tourist resort north of Bogota.

According to initial reports, the minister urderwent surgery at the National Social Security Board in Bogota.

The authorities have indicated that Serpa Uribe and his wife are resting, adding that they are out of danger.

New Decree To Fight Disorder Criticized

PA0207223990 Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 30 Jun 90

[Text] Due to the difficult situation the country is facing, on 28 June the government, using the cover of a state of siege, issued new public order measures. This station brought the measures to its viewers' attention because immediately after their release there was a a flood of criticism from various sectors. Constitutional experts said that the measures violate the basic principles of our Constitution and would be more appropriate to a dictatorial state.

[Begin recording] [Unidentified reporter] The government's new decree establishes that every head of a family unit must provide the police with the following information on all members of the family: name and surnames,

occupation, place of work, closest friends, documentation, address, and telephone number. Does this decree violate the Colombian people's individual rights?

[Constitutional expert Luis Sachica] Article 23 of the Constitution guarantees that no person, family, or home will be disturbed. This guarantee is at stake on this occasion.

[Reporter] Article 12 of Decree 1336 warns that anyone who is aware of a crime that is to be perpetrated and does not intervene to prevent it may be subject to arrest. Does this measure not deprive the state of its exclusive responsibilities?

[Sachica] Article 16 of the Constitution explains that the authorities were established to defend our lives, honor, and property. This is the state's raison d'etre, it is what justifies its existence. Therefore, if we had to defend ourselves, the state would be unnecessary.

[Reporter] The new decree also states that Colombians may be arrested if they are in a state of serious agitation, a condition which—according to the decree—precedes the commission of a crime. Is this not exaggerated and arbitrary?

[Sachica] It implies a purely subjective description of what constitutes agitation and serious agitation. This decree is truly unconstitutional.

[Reporter] There is every indication that the Supreme Court will have a great deal of work to do with Decree 1336 which, according to the experts, takes us from a de jure state to a police state. [end recording]

Alleged Drug Figure Victim in Restaurant Attack

PA0207192590 Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 29 Jun 90

[Text] The authorities in Medellin have determined that Francisco Javier Ramirez, one of the 19 victims in the Oporto Bar and Restaurant incident [23 June in Envigado], is listed on a drug traffickers' organization chart. It seems he had or has had ties with drug traffickers.

Unfortunately, many of the other victims were very young men who came from honest families.

Ecuador

Cordovez Terms Bush Proposal 'Constructive'

PA0307024890 Quito Radio Quito in Spanish 2300 GMT 2 Jul 90

[Text] Foreign Minister Diego Cordovez has said that President Rodrigo Borja has received several invitations to visit abroad and added: We are studying which possibility is the most feasible for him to accept.

Referring to President George Bush's proposal to write off part of the debt of the Latin American countries, Cordovez said that Bush's initiative is the result of a thorough analysis based on his own interests.

[Begin recording] [Cordovez] I do not want to say anything until we fully agree on his itinerary. The president has to give priority to his personal agenda, as usual.

[Reporter] [Question indistinct]?

[Cordovez] Yes, [words indistinct]. [end recording]

Cordovez said that the United States has taken the changes in East Europe very much into account. He also stated that the Bush decision will benefit Latin America and the United States.

The foreign minister made these remarks when he received new U.S. Ambassador Paul Lambert at the Foreign Ministry.

[Begin Cordovez recording] I am very pleased with President Bush's proposal for one basic reason—I think that it was the result of an assessment by the U.S. Government based on its own interests. The United States has obviously come to realize that the world is changing and that the changes in Europe will affect its own economy and policy and the President made his proposal as a result of this assessment. I think it is a very constructive proposal basically because it is no longer the case of a rich country helping poor countries. The idea now is common interests.

If a new relationship between Latin America and the United States begins, it will benefit Latin Americans, but it will also benefit the United States. It will not be based on a paternal—if I may use the word—concept, on what the aid to the poor Latin American countries should be. We are all poor. We are all facing very serious problems, the United States included. The United States also has internal problems with its economy as a result of a series of problems. It has a big deficit. Its savings and loan system is amid a crisis. It has to face growing competition. [end recording]

Paraguay

Rodriguez Addresses Nation on Teachers' Strike

PY0207181190 Asuncion Domestic Service in Spanish 1452 GMT 2 Jul 90

[Address to the nation by President Andres Rodriguez from Government Palace—live]

[Text] I want to address the nation in view of developments—which are public knowledge—affecting the teachers union to clearly state the position of the president of the Republic on an issue that greatly affects a vast sector of Paraguayan society.

I am perfectly aware of and sensitive to the teachers' demand for a better reward for their hard efforts, not only because of the social scope of the nobel, sacred mission they carry out, but because fulfillment of this sector's real needs has been unjustly postponed for many years. However, in my capacity as president, I have promised to respect and see that the Constitution and

our laws are respected, and I cannot fail to fulfill this solemn commitment because it is the foundation of the state of law my government has adopted as its unwavering stand.

In view of the conflict raised by the teachers sector, which could prompt an undesirable implementation of disciplinary measures mandated by current laws, I have ordered that winter holidays begin in all schools. Moreover, problems caused by the weather, which is characteristic for this time of year, are causing high student absenteeism in most of the country, to the detriment of education.

Therefore, this measure is timely and seeks to convene, as soon as possible, a frank, constructive dialogue with the teachers' true representatives in the hope of finding feasible solutions to their most urgent needs within the framework of an objective, sincere assessment of the possibilities and limitations of our budget.

At this time, when Paraguayan citizens are enjoying democracy and respect, I wish to reiterate my government's firm intention to seek solutions to our multiple problems with a republican frankness and high sense of responsibility.

I am aware that democracy must be built by all Paraguayan citizens and that social peace is necessary for building a fair and free society. Consequently, my office doors are open for direct talks with genuine representatives of the teachers union in a search for fair and equitable solutions.

This is what I desire, what I intend to do, and these are my feelings toward all of Paraguayan society.

Thank you.

Editorial Defends Need To Actively Fight Drugs

PY030703329O Asuncion ABC COLOR in Spanish 1 Jul 90 p 10

[Editorial: "We Must Show Through Deeds That We Fight Drug Trafficking"]

[Text] When the International Antinarcotics Day—which was instituted by the United Nations—was recently celebrated, we realized that, other than speeches delivered by government officials, Paraguay had done very little to cooperate in the fight against this extremely serious scourge, which all countries of the world have promised to fight worldwide.

This fact must concern us, mostly because it is jeopardizing the image of our Republic, which we are trying to clear from the stains inflicted upon it during Stroessner's dictatorship. At the time of the dictatorship, international public opinion charged the regime's civilian and military authorities with open permissiveness in their dealing with powerful international drug-trafficking mafias, and even suspected that some Paraguayan authorities were directly involved in drug trafficking.

This is why the current government, which is leading the country's transition into democracy, should give priority to effectively fighting drug consumption and drug trafficking. This is a **sine qua non** condition to make the most important international protagonists believe the Paraguayan Government's public statements on the issue.

Our country, that has signed international treaties on the issue, has had—since 1989—a National Narcotics Directorate (Dinar), which responds to the Interior Ministry. Dinar has replaced the National Department for Narcotics and Dangerous Drugs, which was founded in 1972. Both entities were created as a direct result of serious disagreements between Stroessner's dictatorship and the Nixon administration (regarding the Ricord affair, which was linked to the "heroin cycle"), and later on with the Reagan administration (which was more recent and belonged to the "cocaine cycle" and to the marijuana cycle).

Paraguay also has a draconian law, Law 1340, which was a result of the demagogic maneuvers of the Stroessner dictatorship. This law, which establishes punishment for drug consumption and trafficking, can be criticized for several reasons, mostly because it places decisive public health aspects in the hands of our controversial forces of security. Through its Mental Health Department, the Public Health Ministry is trying to recover its authority in the area, and we must support it in this aspect.

It must also be pointed out that the judicial and legislative branches do not have an effective control over Dinar because of the "institutional" system inherited from the previous regime.

To make things worse, it is normally believed that the corrupt system—which was termed during the Stroessner dictatorship the "price to be paid for peace"—has stimulated the Paraguayan "bridge" for the surreptitious introduction of cocaine, which is produced in the Andean region, into the U.S. and West European markets. According to Milton Fridman, this demand is the locomotive that pulls the international drug-trafficking cars, the real cargo of which are: corruption, criminality, and the degradation of our societies.

Right now, for example, many cars that have been stolen in our country, in Brazil, or in Argentina, are being taken, along the Trans-Chaco Highway, to Bolivia. There, they will be exchanged for drugs, or wild animal skins and furs (which are also illegally collected by the drug traffickers), thus transforming Paraguay's promising western region into the fundamental link of a cruel integration chain.

In his meeting with President Bush at the White House, President Rodriguez heard his U.S. counterpart express a deep concern—which has not been dissipated in Washington—over the intensive use of our territory by the cocaine international mafia and their local counterparts.

The Paraguayan Government must, therefore, firmly assume the national responsibility of fighting drug trafficking, and Paraguayan society must demand that the

government faithfully and effectively comply with its international responsibility in this fight because not only U.S. and European youths are consuming the drug. There is alarming evidence that this evil is becoming an epidemic among our youth, too.

Peru

Senator Says U.S. 'Intervention' Already Begun

PY0207183590 Lima Television Peruana in Spanish 1100 GMT 2 Jul 90

[Text] Leftist Senator Javier Diez Canseco has expressed his satisfaction with Engineer Alberto Fujimori's trip and rejected the presence of U.S. troops in the Upper Huallaga Valley.

[Begin recording] [Unidentified reporter] Senator, what does the Peruvian left think of the president-elect's meeting with financial agencies?

[Diez Canseco] As we have said, we see nothing wrong with Peru's efforts to rejoin the international financial community and to improve its difficult foreign debt situation, which is also shared by other Third World countries. We are concerned, however, about two aspects of the president-elect's trip and meetings: First, Eng. Fujimori has reported that a commission has been created to design financial and economic policies to be enforced in Peru. This commission is made up of Peruvian officials, members of international organizations, and foreigners.

Second, there has been a change in the president-elect's position on the presence of foreign military advisers in Peru. Before the runoff election, Fujimori said he would not agree to the presence of either foreign troops or military advisers.

[Reporter] That's intervention in our domestic affairs.

[Diez Canseco] Right. Unfortunately, I believe that the intervention has already begun with the presence of U.S. pilots and advisers who are working with the police. I believe that efforts are now being made to extend this intervention to the Peruvian Army and the Peruvian Armed Forces, which, in my opinion, are perfectly capable of resolving our own internal affairs. The Armed Forces should not permit the creation of a mechanism of manipulation in the form of advisory services to commanders and the Armed Forces staff. [end recording]

42.6-Percent Inflation Reported for June

PY0207204290 Lima Television Peruana in Spanish 1800 GMT 2 Jul 90

[Summary] Felix Murillo, director of the National Statistics Institute, reported today that the inflation rate for June was 42.6 percent. He added that this is the highest rate in the last 12 months.

Central Bank Releases New Inti Bills

PY0207205690 Lima Television Peruana in Spanish 1800 GMT 2 Jul 90

[Summary] The Central Reserve Bank has circulated the new 500,000 inti bills, which have different symbols from the old bills.

* MRTA Communications Described, Truce Studied

90WR0184A Lima EL COMERCIO in Spanish 19 Jun 90 p A10

[Excerpt] For purposes of carrying out terrorist acts in the country, members of the Tupac Amaru Revolutionary Movement (MRTA) use mail boxes to communicate, in addition to using a type of "code word," according to accused MRTA terrorist Victor Polay Campos.

By way of example, the defendant on trial for treason recalled that before being captured in Huancayo 3 February 1989, he met the other defendant Rosa Luz Padilla Baca with whom he identified himself using a "forgotten" codeword, through an intermediary "comrade" (supposedly "German Castro," according to Padilla).

Responding to a question from the prosecuting attorney, Luzmilla Huaman Bringas, the MRTA leader, emphasized at the beginning of the hearing that "at no time have I ever affirmed that the MRTA has made a truce with the winner of these last elections, only that this possibility is being considered." [passage omitted]

Uruguay

Lacalle Promotes Response to Bush Proposal

PY0307020490 Montevideo Radio Carve in Spanish 0000 GMT 3 Jul 90

[Text] President Luis Alberto Lacalle has proposed that ALADI [Latin American Integration Association] immediately undertake a study of the Bush proposal for Latin America.

Uruguayan President Lacalle called a news conference at the end of a meeting with ALADI Executive Secretary Jorge Luis Ordonez. President Lacalle announced that the study of the proposal to create free trade zones in Latin America and the Caribbean will start immediately.

Luis Alberto Lacalle added that he had discussed the issue this afternoon with several other Latin American colleagues who granted their whole-hearted support. President Lacalle said that the Uruguayan Government has already instructed its permanent representative to ALADI to immediately promote a discussion of this idea within ALADI.

[Begin Lacalle recording] Because President Bush has invited and proposed that those countries that have already established free trade zones, such as ALADI, start negotiations with the United States to strengthen North-South relations in the continent of the Americas,

(?after) a meeting with ALADI Executive Secretary Jorge Luis Ordonez. Today we requested the Uruguayan ambassador to ALADI, [name indistinct] to immediately start a discussion of the issue within ALADI to answer President Bush's proposal.

I would like to remind my fellow citizens that in a passage of his speech President Bush said: I announce today that the United States is ready to achieve free trade agreements with Latin America and Caribbean markets, particularly with those groups of countries that have established associations with the intention of achieving a free trade.

Although he never mentioned it by name, we believe that the U.S. President was making a specific appeal to ALADI. Therefore, in response to a Uruguayan Government request, tomorrow ALADI will start studying all possibilities to start negotiations leading to the achievement of this important proposal made by the U.S. President as soon as possible.

Before this news conference I talked to Venezuelan President Carlos Andres Perez, Bolivian President Jaime Paz Zamora, Chilean President Patricio Aylwin, Paraguayan President Andres Rodriguez, and our friend and neighbor, Argentine President Carlos Saul Menem. After explaining the situation, all of them have granted their initial support to this [words indistinct]. Tomorrow I plan to get in touch with Brazilian President Fernando Collor, whom I could not find today because he was [words indistinct].

But we believe it is particularly important for the United States to realize that Latin America is responding with specific answers to this specific and important proposal made by the U.S. President. [end recording]